

tion deadline, at a time when the Communists were on their best behavior) did the rest. The hated appointees became a prime target for local resentment and by March 1968 over 400 had been murdered by guerrillas who indeed, as Carver points out, "harped on local issues and avoided preaching Marxist doctrine." When it is remembered that there were enough "local issues" around to cause the South Vietnamese Army itself to try at least three times to murder Diem, it becomes understandable why South Viet Nam appeared to Hanoi ripe for plucking. In other words, there can be no doubt but that Hanoi, or even South Vietnamese stay-behind Communist elements, took advantage of Saigon's glaring weaknesses after 1959. But the Communists can hardly be held responsible for the incredible stupidity of the Diem regime and the somewhat surprising blindness to its faults of its American advisers. And it is equally hard to deny that there was plenty of motivation inside South Viet Nam, on the left as well as on the right, for a revolutionary explosion.

The next point which requires clarification is not whether the insurgency in South Viet Nam is abetted, directed and aided from North Viet Nam (it is to a large extent), but whether such outside controls preclude the existence of real objectives which are specifically those of the insurgents rather than of their external sponsors. Here, the recent British revelations as to the truly enormous extent of the control of the French Resistance in France by the Special Operations Executive (S.O.E.)—the 1940-46 British equivalent of the Central Intelligence Agency—shows what is meant. According to the now-published official history of S.O.E. in France, "till 1944 the British had a virtual monopoly over all of de Gaulle's means of communications with France," and the French "could not introduce a single agent or a single store" without Allied permission and help, and "anything [they] planned with marked political implications was liable to be vetoed by any of the three major Western allies." Yet, having substantiated exactly what both the Vichy French and the Nazis had said all along, i.e. that the French Resistance was nothing but an "Anglo-Saxon conspiracy" and the resisters (this writer included) nothing but foreign agents, the official history makes the key point: "All these victories by and through resistance forces in France had a common basis: overwhelming popular support."²

The hard historical facts which emerge from the French Resistance and which appear to apply to the Viet Cong are (a) that in spite of overwhelming technical control by the Allies, de Gaulle succeeded in winning political and military loyalty among the di-

verse guerrilla forces in France, and (b) that even de Gaulle's own views and desires had to accommodate themselves to those developed by the internal resistance in its four-year fight, in which it bore the brunt of the struggle and suffered the bulk of the losses. The differences of view between Viet Cong leaders who have now been in the fight for six years (and some of them for twenty!) and the Hanoi theoreticians and conventional military commanders go in many cases far beyond normal internecine party struggles or mere tactical disagreements.

A glance at factual examples is interesting: there have been three changes of N.L.F. secretaries-general at times when Hanoi was in the throes of no purge whatsoever. There was the N.L.F. five-point manifesto of March 22, 1965, whose "jungle version" was rebroadcast later by Hanoi with 39 extensive amendments or text changes, softening some of the N.L.F. statements. There were the spontaneous reactions of N.L.F. leaders when faced with respected Western observers on neutral ground, openly explaining why they disagreed with the "narrow-minded commissars in Hanoi." And there is the fact that while the United States and Hanoi are now officially wedded to a return to a Geneva-type conference (and, presumably, its two-year election clause), the N.L.F. has thus far left Geneva out of its program, preferring a flexible formula of eventual reunification in negotiated stages.

It is easy to dismiss those differences as being mere camouflage (after all, some people believe that the Sino-Soviet split is nothing but a grand deception foisted on the easily-fooled West) and to believe the N.L.F. is indeed nothing but "a contrived political mechanism with no indigenous roots," as Carver avers. But in that case, the 220,000 Viet Cong who fight side-by-side with 50,000 PAVN regulars, and who over the past three years are said to have suffered almost 100,000 dead and 182,000 wounded, fight rather well for what must be a vast mass of remote-controlled and force-drafted recruits. Otherwise, desertion would be just as easy on the Viet Cong side as it is on the ARVN side, but thus far the V.C. desertion rate simply seems to keep pace with the increase of manpower on the Communist side.

That leaves, lastly, the argument of "facelessness": the N.L.F. leaders are men of little stature in their own society; they are unknowns. But four years ago only a few Vietnamese military men knew who General Ky was, and no one thought of him even two years ago as being of presidential timber. Clandestineness is not attractive to the sort of men who are national figures: aside from Yugoslavia's Marshal Tito, it takes real expertise to recall the names of European

resistance leaders. In any case, N.L.F. propaganda has seen to it that its leaders should not remain anonymous: at least forty senior leaders' biographies have been published, along with their photos.⁴ Their background shows the normal social background of Vietnamese leadership in general, from medical doctors and pharmacists, to lawyers and even army officers (though the sprinkling of Montagnards and women is more typical of the likewise classic "united front" picture). And they have one remarkable common characteristic which thus far no Saigon government has been able to match: they are all from south of the seventeenth parallel.

None of the foregoing justifies Hanoi's claim that the N.L.F. should be the "sole legitimate voice of the South Vietnamese people." But nothing justifies the opposite claim either, to the effect that without Hanoi's full support, the N.L.F. would disappear into thin air like a desert mirage. There can indeed be no quarrel with Carver's statement that "the Viet Cong organization is unquestionably a major factor in the South Vietnamese political scene." In that case, however, it must be treated as what it is—a political force in South Viet Nam which cannot be simply blasted off the surface of the earth with B-52 saturation raids, or told to pack up and go into exile to North Viet Nam.

There is one further consideration which argues against the likelihood of Hanoi being able (assuming it were willing, and it does not seem to be) to turn off the southern guerrilla movement like a water tap: Hanoi has, since March 1946, made four separate deals with the West at the expense of the South Vietnamese. The French-Vietnamese accords of March 6, 1946, provided for a Vietnamese "free state with its own government, armed forces and foreign relations" but left South Viet Nam proper (i.e., Cochinchina) under French control and, as it turned out, severe anti-Viet Minh repression. The French-Vietnamese *modus vivendi* signed by Ho Chi Minh in Paris, September 14, 1946, further confirmed this seeming "abandonment" of the South. In the Geneva Accords of July 1954, it was South Viet Nam which was left to the tender mercies of the Diem regime for at least two years, and we have Nguyen Huu Tho's own word in an interview with Wilfred Burchett to the effect that "there were mixed feelings about the two-years' delay over reunification." And when neither Hanoi nor Peking (nor the Soviet Union) made strong representations against dropping elections in 1956, it must have become obvious to even the most obtuse pro-Hanoi elements south of the seventeenth parallel that the North Vietnamese Communists are somewhat unreliable allies.

SENATE

THURSDAY, SEPTEMBER 29, 1966

The Senate met at 12 o'clock meridian, and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

Rev. Henry S. Amidon, Braddock Street Methodist Church, Winchester, Va., offered the following prayer:

Almighty God, Creator of all, who hast placed us in Thy world and hast made us a continuing part of Thy creation, guide us by Thy spirit.

We humbly thank Thee for the many blessings which Thou hast given to our

² M.R.D. Foot, "SOE in France," London: Her Majesty's Stationery Office, 1966, p. xix, 33, and 442-443, *passim*.

country. We pray that we may be enabled to use these blessings to Thy service. Take from among us all contempt of Thy word and commandments. Break down the barriers of selfishness and intolerance.

Endow all these Members of Congress with a right understanding, a pure purpose and sound speech. Enable them to rise above all self-seeking and party zeal into the larger sentiments of public good and human brotherhood. Cleanse our public life of every flaw and fault; subdue in our Nation all that which is evil.

Grant and continue unto these legislators the inspiration of Thy holy spirit, that as they labor faithfully for our country, they may also advance Thy kingdom upon earth. May Thy power be the instrument which leads to truthfulness in thought, word, and deed. Arm

them with such trust in that truth which is invisible, that they may ask no rest from its demands and have no fear in its service.

Let the knowledge of Thy righteousness and Thy love reign in all our hearts through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 29, 1966.
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HARRY F. BYRD, JR., a Senator

⁴ Commission for Foreign Relations of the NLF, *Personalities of the South Viet Nam Liberation Movement*, a.d. [1963], 44 pp.

from the State of Virginia, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BYRD of Virginia thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, September 28, 1966, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Herbert Salzman, of New York, to be Assistant Administrator for Development Finance and Private Enterprise, Agency for International Development, which was referred to the Committee on Foreign Relations.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

S. 3008. A bill to amend the Public Health Service Act to promote and assist in the extension and improvement of comprehensive health planning and public health services, to provide for a more effective use of available Federal funds for such planning and services, and for other purposes (Rept. No. 1665).

ECONOMIC OPPORTUNITY AMENDMENTS OF 1966—REPORT OF A COMMITTEE—INDIVIDUAL, ADDITIONAL, AND SUPPLEMENTAL VIEWS (S. REPT. NO. 1666)

Mr. CLARK. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 3164) to provide for continued progress in the Nation's war on poverty. I ask unanimous consent that the report be printed, together with individual, additional, and supplemental views.

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted.

By Mr. BIBLE, from the Committee on the District of Columbia:

Austin L. Fickling, of the District of Columbia, to be associate judge of the District of Columbia court of general sessions.

By Mr. MANSFIELD, from the Committee on Foreign Relations:

Nicholas deB. Katzenbach, of Illinois, to be Under Secretary of State.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. INOUE. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Rear Adm. George W. Calver, U.S. Navy, retired, for appointment to the grade of vice admiral, and the nomination of astronaut Richard F. Gordon, Jr., U.S. Navy, for appointment to the grade of commander in the Navy. I ask that these nominations be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations, ordered to be placed on the Executive Calendar, are as follows:

Rear Adm. George W. Calver, Medical Corps, U.S. Navy (retired), for appointment to the grade of vice admiral; and

Lt. Comdr. Richard F. Gordon, Jr., U.S. Navy, for permanent appointment to the grade of commander in the Navy.

Mr. INOUE. Mr. President, in addition, I report favorably the nominations of 343 officers for appointment to the grade of major and below in the Army; 1,662 officers for appointment to the grade of lieutenant colonel and below in the Marine Corps and 2,403 officers for appointment and promotion in the grade of captain and below in the Air Force. Since these names have already appeared in the CONGRESSIONAL RECORD, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

Robert E. Evans, and sundry other persons, for appointment in the Regular Air Force;

Darwin G. Abby, and sundry other officers, for promotion in the Regular Air Force;

Gerald S. Rose, and sundry other persons, for appointment in the Regular Army; and

Lewis H. Abrams, and sundry other officers, for temporary appointment in the Marine Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE:

S. 3870. A bill for the relief of certain individuals; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 3871. A bill for the relief of Hilda E. M. Hofstra; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 3872. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain expenses incurred by an individual in maintaining a foreign student as a member of his household; and

S. 3873. A bill to amend the Internal Revenue Code of 1954 with regard to the income,

estate, and gift tax treatment of certain transfers of property to the widows, heirs or donees of public school teachers; to the Committee on Finance.

(See the remarks of Mr. McCARTHY, when he introduced the last above mentioned bill, which appear under a separate heading.)

RESOLUTION

TO PRINT AS A SENATE DOCUMENT THE FINAL REPORT OF THE WOODROW WILSON COMMISSION

Mr. WILLIAMS of New Jersey submitted the following resolution (S. Res. 307); which, under the rule, was referred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate Document the "Woodrow Wilson Memorial Commission: Final Report," September 1966.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. PROXMIER, and by unanimous consent, the Subcommittee on Constitutional Rights of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TAX TREATMENT OF CERTAIN TRANSFERS OF PROPERTY

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 with regard to the income, estate, and gift tax treatment of certain transfers of property to the widows, heirs, and donees of public school teachers.

The purpose of this bill is to provide for the widow, heirs or donees of a public school teacher or other public school employee the same tax treatment as is now provided for private school teachers and other private school employees with regard to benefits under an annuity contract paid for by his employer.

Under present law—section 403(b) of the Internal Revenue Code—both private school teachers and public school teachers are not required to include in gross income certain amounts paid by their employers to purchase annuity contracts for such teachers. In general, either kind of teacher may exclude the entire amount paid by his employer up to 20 percent of the amount paid the teacher—excluding the amount paid for the annuity contract. Thus, in this regard, both public and private school teachers are treated exactly alike.

However, in certain other respects the tax treatment is not the same. The widow of a deceased private school teacher is not required to include in in-

come the first \$5,000 paid to her under an annuity contract purchased by her deceased husband's employer, to the extent the benefit she receives was paid for by amounts that her husband was not required to include in income—section 101(b)(2)(B)(iii). Subsection (a) of the first section of the bill I am introducing amends the Internal Revenue Code to provide for exactly the same benefits to the widow or other beneficiary of a public school teacher.

There is also a difference in treatment with regard both the estate and gift tax. Under present law, a retirement annuity purchased for a teacher by a private school—exempt from tax—is not included in the gross estate of such teacher at his death—section 2039(c). Likewise under present law the exercise or non-exercise by a private schoolteacher of an election or option—with regard to a beneficiary at death—under an annuity contract purchased by the private school is not considered a gift—section 2517(a). Subsection (b) of the bill I am introducing amends the Internal Revenue Code to provide the same estate tax and gift tax treatment for the heirs and donees of public school teachers as now exist for those of private school teachers.

The schoolteachers of the Nation are a special professional group, and it is my view that it is equitable and proper that the tax treatment of benefits from annuities purchased for teachers by their employers should have the same tax treatment as regards income, estate, and gift taxes.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3873) to amend the Internal Revenue Code of 1954 with regard to the income, estate, and gift tax treatment of certain transfers of property to the widows, heirs or donees of public school teachers, introduced by Mr. McCARTHY, was received, read twice by its title, and referred to the Committee on Finance.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent, with the consent of the respective sponsors of the bills, that I may be made a cosponsor of S. 3769, the Federal Water Pollution Control Act, and S. 3000, a bill to permit States or other duly constituted taxing authorities to subject persons to liability for payment of property taxes on property located in Federal areas within such State, at the next printing of the bills.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at its next printing the names of Senators EASTLAND, DODD, LONG of Missouri, KENNEDY of Massachusetts, BAYH, BURDICK, TYDINGS, SMATHERS, DIRKSEN, FONG, and JAVITS be added as cosponsors of S. 2191, the so-called narcotics bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that at the next printing of S. 2877, the National Community Senior Service Corps bill, the names of the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. LONG], and the Senator from California [Mr. MURPHY] be added as cosponsors.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that at its next printing my name may be added as a cosponsor of the bill S. 3612, to provide for the issuance of a special U.S. postage stamp in commemoration of those dedicated to helping retarded children.

As one who has long been interested in the prevention and treatment of mental retardation and as one who is privileged to serve as this year's honorary fund drive chairman of the South Dakota Association for Retarded Children, I enthusiastically support this legislation.

Issuance of such a stamp would appropriately call attention to the pressing need to insure a fuller life for the mentally retarded children of the Nation. I am particularly pleased that the motto suggested by the National Association for Retarded Children—"Retarded Children Can Be Helped"—would, under the terms of this bill, be printed on the face of the stamp. S. 3612 also provides that the stamp would be issued on October 15, 1967, the date of the National Association for Retarded Children Convention.

I earnestly hope that the Congress will take early and favorable action on this most meritorious legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at its next printing the name of the distinguished Senator from West Virginia [Mr. RANDOLPH] be added as a cosponsor of Senate Resolution 300, the so-called troops for Europe reduction resolution, and that his name be included as a cosponsor at the next printing of the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that at the next printing of Senate Resolution 302, which would establish a standing Committee on Urban Affairs, the names of the following Senators be listed as cosponsors: The Senator from Alaska [Mr. GRUENING], the Senator from New York [Mr. JAVITS], and the junior Senator from New York [Mr. KENNEDY].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL COSPONSOR—AMENDMENT NO. 779

Mr. HARTKE. Mr. President, I ask unanimous consent that the name of the Senator from Hawaii [Mr. FONG] be added as a cosponsor of amendment No. 779, the teachers' deduction amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARINGS ON NOMINATIONS OF WARREN J. FERGUSON AND MANUEL L. REAL, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGES, CENTRAL DISTRICT OF CALIFORNIA

Mr. DIRKSEN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Thursday, October 6, 1966, at 10:30 a.m., in room 2300, New Senate Office Building, on the following nominations:

Warren J. Ferguson, of California, to be U.S. district judge, central district of California, to fill a new position to become effective September 18, 1966, by Public Law 89-372, approved March 18, 1966.

Manuel L. Real, of California, to be U.S. district judge, central district of California, to fill a new position to become effective September 18, 1966, by Public Law 89-372, approved March 18, 1966.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], chairman; the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE OF RECEIPT OF NOMINATION

Mr. SPARKMAN. Mr. President, as acting chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Herbert Salzman, of New York, to be Assistant Administrator for Development Finance and Private Enterprise, Agency for International Development.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

INDUSTRY VICTIMS OF SUSPENSION OF INVESTMENT CREDIT

Mr. PROXMIER. Mr. President, in the near future the Senate will face a decision on whether to suspend the 7-percent investment tax credit adopted by Congress in 1962.

Suspension of this incentive for business and industry to expand was recommended by the President as a means of cooling the current economic boom. He chose, as I have said before, the wrong remedy. Unfortunately, the House Ways and Means Committee was inveigled into gulping down this bad medicine—though with some modifications.

The case against suspending the investment tax credit is overwhelming. First and foremost, the prime results of removing the incentive would not show up until late next year at the earliest. Indicators already tell us that by late 1967, the economy may not need any brakes applied.

Another, and compelling, reason against suspension is the fact that it hits hardest segments of the economy that

are being asked to increase their production to meet the needs of a growing population—and to meet the increasing demands for the war in Vietnam.

I want to discuss briefly some types of industry that would be singled out for special, unfair treatment.

RAILROAD INDUSTRY

Earlier this year, the railroad boxcar shortage in this country became so acute that Congress found it necessary to enact legislation to help eliminate this bottleneck to economic stability.

The shortage of boxcars was seriously threatening practically all areas of the Nation. President Johnson stated that the shortage was "hurting the consumer, the farmer, business, labor—and our defense effort."

In signing the bill in May, the President said:

We cannot tolerate that:

Not as long as a single farmer lacks a boxcar to ship the grain he has worked so hard to grow;

Not as long as lumber mills must close because their products cannot be moved from mill to manufacturer, and shortages drive up plywood and lumber prices;

Not as long as businessmen have goods ready to ship but must wait for freight cars and lose money waiting.

The importance attached to increasing the supply of railroad cars can be seen in another administration action of last spring. When the administration appealed to business generally to postpone capital expansion as much as possible, the railroads and rail equipment industries were specifically exempted from the request.

Now, when the farmer is being urged to grow more food, when the Vietnam war is taking increasing amounts of raw and finished materials, when the number of men in Vietnam is being raised, the incentive to provide the rail transportation would be denied.

This just does not make sense.

Mr. President, one of our most nagging problems is our balance of payments. It has become a chronic situation with little immediate chance of resolution. But, listen to this:

COAL INDUSTRY

Last year, 1965, the United States exported more than 50 million tons of coal, which brought to this country more than \$465 million. This year's exports are expected to rise by 6 percent.

Coal exports alone cannot solve the balance of payments. But it is one area in which we have been particularly successful in selling to foreign markets.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. A major factor in our increase in coal exports has been the modernization of our mining techniques. How was this efficiency achieved? Largely through the incentive provided by the investment tax credit.

What is true of the coal industry is true of all American industry. Without competing with foreign imports or reaching new foreign markets, increased plant and equipment investment is precisely the best way to achieve success in foreign competition. But it is just this suspension of the investment credit that will lessen the incentive to invest in more efficient cost-cutting equipment and weaken our balance-of-payments situation.

The damage that suspension of the tax credit would do to the coal industry would fall equally hard on another of the President's goals. That is the elimination of poverty in Appalachia, where most of our coal is mined. Poverty cannot be abolished if production drops and men are turned out of work.

Thus, a triple blow would fall—on the coal industry generally, on Appalachia, and on the balance of payments—if reconsideration is not given to the administration's proposal.

MACHINE TOOLS

The machine tools industry has received its share—and more than its share—of the blame for the tautness in the economy in recent months.

After several years of slackness, machine tool production jumped dramatically by 55 percent from 1963 to 1965. This year's increase is expected to be about 13 percent. Backlogs have built up as a result of Vietnam pressures and the demands of a hard-running civilian consumer economy. But suspending the investment credit is not the way to get at this problem.

Removing the investment incentive would simply mean that machine tool production would fall further behind in its capacity to meet demand, both military and civilian.

I might say, Mr. President, that yesterday I put into the RECORD some statements from officials in the machine tool industry who said that if the proposal is passed in its present form, they might as well take a vacation in the latter half of 1967, because nobody will buy machine tools at that point, when they can wait a few months and get the investment credit restored.

Modernization would be slowed, thus putting a roadblock in the path of higher efficiency, improved wages, and competition in world markets.

It has been estimated that two out of every three machine tools in the Nation's metalworking industry are obsolete by today's standards. And this in an industry which will produce \$100 billion in goods this year.

AIRCRAFT

There are a number of other businesses that would suffer unduly. Take the aircraft industry. A \$10 million jetliner is not an item one finds on a warehouse shelf. Each one is made to order.

Airlines would defer purchases in the hope that they would have the investment credit restored. Three things would result:

First. Our airlift capacity to Vietnam would suffer.

Second. Plane production would fall, throwing men out of work.

Third. Foreign airlines could get earlier delivery on their orders and thus obtain competitive jumps on our own airlines.

TRANSPORTATION

The transit industry, one of our most sorely needed, would be slapped. Privately owned transit systems carried 43 percent of local passengers last year. They paid local, State, and Federal taxes. They carried schoolchildren, the elderly, the poor, and the disabled. In many cases they are the only form of transportation available to these people.

At a time when the Federal Government is spending millions on public transit systems—and we just passed a measure that provides \$150 million a year for 2 years—it seems exceptionally unwise to penalize private systems.

Mr. President, these are just a few of the industries that would be penalized at a time when their services are badly needed. I hope my colleagues will heed their cries when the time comes to vote.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

TRIBUTE TO ARTHUR KROCK

Mr. BYRD of Virginia. Mr. President, today marks the retirement of one of America's most distinguished newspapermen. The New York Times this morning carried the last of the commentaries that have appeared in the editorial section of the New York Times for more than 32 years under the byline of Arthur Krock.

Mr. Krock arrived on the Washington scene in 1910 as the Washington correspondent of the Louisville Courier-Journal. William Howard Taft was the President at that time. After serving in Washington with the two Louisville newspapers, Mr. Krock went to New York as a member of the editorial staff of the New York World, and from that great newspaper he went to another great newspaper, the New York Times, and became its Washington correspondent.

Mr. Krock served as Washington correspondent for the New York Times for 35 years. During much of that period he served as chief of the Washington bureau.

Few men in the history of our Nation have had as close an association with the problems of Government and with the men who have been called upon to help solve those problems.

Arthur Krock is a brilliant writer. His commentaries are incisive, provocative, factual, and enlightening.

He has been recognized by his profession by being awarded the Pulitzer Prize in 1935 and 1938, and he has had the unusual distinction in 1951 of being given a special citation by the Pulitzer Board.

Arthur Krock's character inspires confidence. He has had the complete confidence over a period of three decades of Cabinet officers, Congressmen, Senators, and Presidents.

Former President Harry Truman, in a note to the New York Times published today, said that neither Washington nor the New York Times will be quite the same without Arthur Krock. I share the sentiments of former President Truman and I associate myself with his remarks in that respect.

It has been the privilege of the Senator from Virginia to have enjoyed the friendship of Arthur Krock for 25 years. Mr. Krock owned a home in Clarke County in the Shenandoah Valley, which is west of the Blue Ridge Mountains, and only 12 miles from where I live. I cherish this friendship and I am pleased to salute Mr. Krock today for the many contributions he has made to his profession and to his nation.

Characteristically, Mr. Krock does not like farewells. In his last commentary, published this morning and captioned with the one word "Finis," he wrote of Lord Byron and Robert Browning as ranking high among those who made a "big and mournful thing out of leave-taking." Mr. Krock does not.

This is the way Arthur Krock concluded his final column:

Better to depart with the words of the character in the TV thriller: "All right, officer, I'll go quietly."

Mr. Krock may depart quietly, but this is in marked contrast to the influence he has wielded over the years, which proclaimed itself loud and clear.

Mr. President, I ask unanimous consent to print in the RECORD, as a part of my remarks, the text of the last commentary by a great newspaperman.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN THE NATION: FINIS

(By Arthur Krock)

WASHINGTON, September 28.—This is the last from this source of the commentaries on events, public men and measures that for more than 32 years have appeared in the editorial section of this newspaper several times a week and on Sundays. They end in a period when most of the problems of government they have been concerned with remain unresolved, to plague the present and befog the future. But that is an abiding condition in human affairs. And for one who for so long has been granted the facility of exploring it in print, any terminal date is as suitable as any other.

SEEMINGLY UNEXAMPLED

The volume, complexity and menaces of the unresolved problems of humanity may not be accurately termed unexampled when submitted to history's test of relativity, though in the shadow of nuclear war they seem to be. But to enumerate only a few establishes that they are as grave as any that burdened man before.

The United States, acting on a new geopolitical concept of domestic security and an evangelistic concept of world stewardship of national self-determination, has also discarded the most fundamental teaching of the foremost American military analysts by assuming the burden of a ground war between Asians in Asia. The general and specific safeguards that were written into the

Constitution to preserve the separation of the three powers of government have been steadily eroded by Congressional delegations of its legislative power to the already swollen powers of the President. And the Supreme Court has expanded its appointed function to interpret the laws by decisions that in effect have been judge-made legislation and amendments of the Constitution to conform with the extreme liberal doctrine to which five justices currently subscribe.

AVOIDING A FRONTAL ATTACK

Price inflation is still being attacked on the flank, for the practical political reason that to strike at it frontally would require legislative curbs on the unique statutory power of the Administration's political ally—organized labor—to raise the costs of production virtually at will. A frontal attack on inflation would also require a meaningful reduction in Government spending for non-military projects, not to be compensated immediately by diverting to these projects the new revenues from the impending post-election tax increase. But this reduction would be opposed by another powerful ally of the Administration, the group whose goal is the total welfare state to which the President's grandiose design of the Great Society is both kith and kin.

The supplement of a few personal observations may be in order in existing from day-by-day comment on these and related problems:

No writings are more evanescent because of the haste with which they necessarily are produced; because events are constantly refuting their conclusions as well as their forecasts; because critical or favorable judgments of the competence and integrity of public men are often influenced by personal association, and disproved by a record that was incomplete at the time the judgments were rendered; also because inevitably they reflect a single and conceivably prejudiced point of view.

Lord Byron and Robert Browning rank high among those who made a big and mournful thing out of leave-taking. They were licensed to do this as creators of great literature. But that did not prevent their farewells from becoming as great a bore by repetition as if they had been mere journalists.

POETIC FAREWELLS

Browning was forever pulling a long face over the "last" of something—a last ride with his lady-love, his last Duchess hanging on the wall, his last and lost chance of being in England now that April's there. Byron said a tearful goodbye in glorious verse to a host of girls he promised to return to, never intended to, and of course, never did. This moved Bert Leston Taylor to the following protest:

"Farewell! into the lover's soul you see Fate plunge the fatal iron. All poets use it; it's the whole of Byron. * * * Lord Byron was perpetually farewellling."

Better to depart with the words of the character in the TV thriller: "All right, officer, I'll go quietly."

Mr. JAVITS. Mr. President, I join the Senator from Virginia [Mr. BYRD] in praise of Arthur Krock. Arthur Krock has not always agreed with me and sometimes he has criticized me strongly, but I consider the composite of opinion in our country very valuable. This is the critical analysis which those of us in a situation of authority think is so important to the future of our Nation.

I, too, am sorry to see Arthur Krock leave his active work for the New York Times. I join with the Senator from Virginia in wishing for him many more years of a fruitful life. He is one of the

fine minds of our generation. I am sorry to see his working days, as he has phrased it, marked "finis."

Mr. BYRD of Virginia. I thank the Senator from New York [Mr. JAVITS] for joining in this tribute to a splendid American and a great newspaperman.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). Without objection, it is so ordered.

FREE WORLD SHOULD PROCEED WITH INTERNATIONAL MONETARY REFORM WITHOUT FRANCE, IF NECESSARY

Mr. JAVITS. Mr. President, it is my purpose this morning to make some observations on the attitude which France has adopted at the International Monetary Fund meeting which is going on in Washington, and also with respect to Secretary Fowler's reported reply to that attitude.

The incredibly shortsighted attitude expressed by France at this week's session of the IMF makes us question whether France has declared financial war on the rest of the world in the name of chauvinism and grandeur.

Secretary Fowler's "reply" yesterday shows that the United States may be finally ready to take a strong stand in the face of France's intransigence. Regrettably, Secretary Fowler has overreacted and appeared to raise the possibility that the United States itself may declare financial war on the world. I am disturbed that finally, after the United States musters enough courage to take the offensive in international monetary negotiations, we propose to take the offensive via threatening more restrictions rather than proposing to proceed with building a new system without France. It would be a great mistake for the United States to push the world toward more restrictions in trade and finance and thereby contribute to the complete destruction of the system we helped create.

If France is determined to try to bring the world to the brink of economic collapse in order to assert French influence then the United States and the other nations may well have to unite and use their collective strength to oppose this challenge, and to proceed without France in creating a more adequate international monetary system.

The Secretary's statement, however, would seem to indicate that, like France, we are considering the possibility of fighting back by returning to a policy of financial isolationism—a policy that has been amply discredited by the past. Such a policy on the part of the United States would be entirely wrong, contrary to what we have stood for since the end of World War II and, therefore, is not a credible threat. Especially as we have an affirmative and constructive way to fight back.

This is one world economically, if not politically. The leaders of the great corporations of industrialized nations which operate in many different nations understand this. Unfortunately, the political leaders of France apparently do not. But time is running out. It is essential to build a more stable and integrated free world economic order. Those who do not wish to move forward may exercise their sovereign right to stay behind, neither enjoying the benefits nor assuming the burdens of closer economic cooperation. But we should grant no nation, however great, the right to veto necessary progress.

Proceedings at the IMF meeting show that the French viewpoint is not shared by the other industrialized nations. The other industrialized nations including Canada, Japan, Britain and the United States expressed a readiness to conclude negotiations on a "contingency plan" for new international currency reserves before the end of next year.

The United States must necessarily take the lead in urging that these negotiations be brought to a successful close. The United States possesses unmatched economic strength and the time has come to use that strength without any self-consciousness.

The United States dollar, as a source of international credit, financing world trade and investment, and as a world reserve currency, forms the underpinning of the international monetary system. It remains the most important source of new international liquidity. On its strength rests the health of the world economy. It remains the key to the hopes of developing countries.

The history of the post-World War II period is evidence that the United States has used its great economic power to the advantage of the free world and not simply to strengthen itself at the expense of the rest of the world. The Marshall plan, the World Bank, the IMF and our foreign aid programs all attest to this.

We are again in a situation where a major economic problem facing the non-Communist world—inadequate international reserve creation—is not receiving adequate attention. Technical progress has been slow but in my opinion satisfactory in the past 2 years. The problem is that the Group of Ten has been mesmerized by a small minority led by France which demands immediate balance of payments equilibrium by the United States and the United Kingdom and a return to the gold standard. But the U.S. balance-of-payments deficit does not represent fundamental disequilibrium but it is a reflection of the U.S. role as world banker and as a country with global responsibilities.

As to the question of what role gold should play in any new monetary arrangement, it is generally agreed that it is in inadequate supply and it can only play a subsidiary role in providing new liquidity. In my own opinion, the sooner the role of gold is minimized the closer we will get to a realistic and well managed international monetary system. Should we fail to create major improvements in the system in the near future I would favor the United States taking

steps to deprive gold of its present unlimited convertibility into dollars. If necessary, the United States should withdraw its international assurance to buy gold at \$35 per ounce and announce that while we may continue for the present to sell gold at \$35 per ounce, we will not buy gold at any set price, and perhaps not at all. Such a move would reduce the value of gold hoards of private and Government speculators who are betting that the U.S. dollar will be devalued.

The International monetary system remains highly vulnerable to shocks which could shake the economic foundations of the free world and require early and effective attention.

I wish to call attention to three in particular: first, the British pound is in serious trouble. While we can wish for the best, we must prepare for the worst. There is no assurance that recently announced measures to strengthen the pound will work. If these measures fail, then the pound may have to be devalued.

The monetary system could take devaluation in stride if it did not set off a wave of devaluations by other countries and if it did not trigger a flight from the dollar into gold. While such a reaction is possible, it would be utterly irrational and self-defeating. It is vital for the administration to begin now to make clear that devaluation of the pound would not have any adverse effect on the basic strength of the American economy and on the dollar.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent to proceed for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, it is also important that Treasury and central bank officials of the Group of Ten develop the closest possible collaboration and understanding on what actions would be taken in the common good if devaluation of the pound occurs. Such preparatory consultation and planning would assure that if devaluation became necessary it could be accomplished smoothly and without disruption to the system. If other nations refuse to cooperate, then the United States should make it clear that it would take whatever actions it deemed necessary to defend the dollar and its own national interests in the event of devaluation of sterling.

Second, the need for an increasing level of world monetary reserves and the possibility of future reserve shortages is only one aspect of a more general worldwide shortage of capital. The rapid advance and spread of new technology has created an enormous demand for investment funds. The nations of Europe and other developed countries generate insufficient savings to meet their own capital needs and are forced to borrow in the United States. The developing countries are desperately short of capital and tap most of the advanced countries for funds. In the United States today the demand for funds far exceeds available savings with the result that interest rates are at dangerously high levels. In

fact, high interest rates all over the world testify to the shortage of available capital in relation to mounting needs. Unless the need for capital is met through measures to increase savings and capital formation, the result could be worldwide deflation operating through high interest rates, limited availability of funds for growth-creating investment, and growing restrictions on international trade and payments, and a worldwide depression.

Third, nations must increasingly shape domestic economic policy with a view to its effects on other nations. Everyone talks about strengthening the adjustment process, but in fact little is done about it. The difficulties are illustrated by recent actions of the United States. For years we have been lecturing our European friends to make more flexible use of fiscal policy. Yet to curb our own boom we have relied almost entirely on monetary policy with the result that we have given worldwide interest rates another boost upward. Now there are indications that the administration may try to take the easy way out of its present dilemma and ask for suspension of the investment tax credit. Suspension of the credit would have little early impact on the capital goods boom. What it would do is retard business expansion and modernization. Over the long run, investment dampens inflationary pressures by increasing supply. It is also the primary source of greater productivity and higher rates of economic growth. The temptation to yield to political as opposed to economic considerations is all too evident, even in our country, and shows how far we still have to go before the adjustment process can contribute to a more harmonious and smoothly operating international economic system.

It is time for the United States to take a more realistic attitude toward its great bargaining power and use it—not hide it under a bushel—for the benefit of mankind.

Mr. President, I repeat, as to the third item, it is time we took a realistic attitude. We must have a tax increase. We know it. The sooner we do it, the better off we will be, and the world will be. It is a necessary piece of action which will equip us to meet the great dangers to the world economy which I have sketched.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am happy to yield 2 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I want to congratulate the Senator from New York on an excellent statement that needed to be made in the Senate.

The problem of gold and the problems of international monetary policy are so great and so complicated that, somehow,

Members of Congress have been reluctant to discuss them.

As we all know, many people who have a deficient understanding of economics and have discussed it in the past, have indicated primarily their confusion over it.

But, when the Senator from New York [Mr. JAVITS], who is the ranking Republican member on the Joint Economic Committee, speaks on the subject, he speaks with understanding and with knowledge.

In discussing this difficult and complicated problem, the Senator from New York brings insight into it which is badly needed.

Somehow, when we come to the concept of gold, because there have been "funny money" people and others involved in suggesting that we go off the gold standard, we are reluctant and afraid to discuss it. But the Senator from New York brings intelligence and understanding to this area to anyone who will listen.

I am sure the speech he has made today will be very helpful. I hope it kicks off general debate in the Senate on the subject. We need it badly.

The Senator has stressed the great importance of recognizing what the failure of the international money supply to grow as rapidly as world trade can do to world trade and world growth, and what it can do to America's growth as well.

Few people realize how the immense expansion in world trade we have experienced since 1950 has affected the world. The monetary expansion necessary to finance this growth has been the product of the U.S. balance-of-payments deficit. This supplied dollars to the world that vastly added to the limited money supply of gold. Without this we could not have had this enormous expansion of trade and economic growth throughout the world.

That deficit must end soon. Where then is the world money supply coming from?

We must meet these problems in frank and intelligent discussion, which is exactly what the Senator from New York has given us this morning. I am grateful to the Senator from New York for doing so, and I commend him on it.

Mr. JAVITS. I am very grateful to the Senator from Wisconsin for his kind remarks. He indulges me as a friend, and I appreciate that. I agree that this problem is of vital importance. I hope very much that the Senator from Wisconsin, the Senator from Missouri [Mr. SYMINGTON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Utah [Mr. BENNETT], and other Senators who really have topflight financial minds will devote themselves to the solution of this problem.

I think that we are being victimized, and being victimized by our own adherence to tradition. Our gold has been drained, but that does not mean anything unless we ourselves determine that there will be a standard by which our financial structure will be judged—which we have done. With gold as the basis of exchange, and cooperation by every other country except France, we

should arouse the industrialized nations of the world. I think the first step that may be taken is to take off our guarantee to pay \$35 for an ounce of gold and say we are not going to buy gold. So what? We still have 50 percent of the gold production.

I hope this does touch off a debate. We want foreign countries to know that we have a specific responsibility and expect to carry it out—provided we are not impaled on the gold dilemma.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. If I have any time.

Mr. CLARK. Mr. President, I seek recognition in my own right. I ask unanimous consent that I may have 5 minutes in order to continue this discussion.

Mr. JAVITS. If the Senator will excuse me for one moment, I have an important phone call to make. He may start his discussion, if he wishes.

Mr. CLARK. I yield the floor at this time. I understand the Senator from West Virginia wishes to be recognized.

INTERNATIONAL COAL PREPARATION CONGRESS

Mr. BYRD of West Virginia. Mr. President, our country will have the privilege next week to welcome many foreign visitors who will participate in the International Coal Preparation Congress in Pittsburgh, Pa. The meetings have been arranged by the U.S. Bureau of Mines and the American Mining Congress under the auspices of an International Committee composed of representatives from Belgium, Great Britain, France, Germany, the Netherlands, and the United States.

The American member of the Committee of Honor is J. F. Core, vice president of United States Steel Corp., who was host at the Gary preparation plant when the Honorable Stewart L. Udall accepted my invitation to visit coal properties in West Virginia soon after he became Secretary of the Department of the Interior in 1961. I recall the amazement of some members of the party during the tour of the mammoth Gary facility, for it is certainly most difficult for anyone, not familiar with the modern coal industry, to visualize the size and complexity of a pushbutton operation that will clean, sort, and even dry thousands of tons of coal each day.

During the intervening 5 years, the coal laundering process has continued to advance, and, no doubt, the techniques will be further improved as a consequence of the exchange of information that will take place in Pittsburgh next week. Papers will be presented by delegates from Czechoslovakia, the U.S.S.R., Canada, Italy, Rumania, India, Japan, Poland, and Hungary, in addition to those delegates from countries represented on the international committee.

As a member of the Senate Appropriations Subcommittee responsible for recommending funds to carry on activities of the Bureau of Mines and the Office of Coal Research, I am especially encouraged with the many mutual advantages that may accrue when technicians from

coal countries of the world gather in common discussion. Previous meetings were held in Harrogate, England, 1962; Liege, Belgium, 1958; Essen, Germany, 1954, and Paris, France, 1950; but there is unusual enthusiasm and optimism about next week's event.

I am hopeful, Mr. President, that the Pittsburgh convention will lead to more than progress in coal preparation. In April 1964, in an address at the First Annual Coal Utilization Symposium in Montgomery, W. Va., I proposed the possibility of establishing an international clearinghouse where other coal-producing nations might exchange nonclassified scientific and technical information on coal with our own research experts. A number of our own industry people have endorsed the idea, and I believe the time for action is at hand.

Yesterday I met with the Honorable J. Allen Overton, a native of West Virginia who was a member of the West Virginia State Legislature before his appointment as Vice Chairman of the U.S. Tariff Commission. Mr. Overton is executive vice president of the American Mining Congress and for many weeks has been involved in preparations for the Pittsburgh meeting. I also met with Mr. Cordell Moore, Assistant Secretary for Mineral Resources, U.S. Department of the Interior. I suggested that they might speak informally with delegates about the creation of a Library of International Coal Research where records of scientific and engineering developments might be stored and collated for use by countries the world over.

An institution of this nature is long overdue. With demand for energy soaring upward at a phenomenal rate, it will be mutually advantageous if all coal producing and consuming countries have ready access to up-to-the-minute developments in the many laboratories—here and abroad—on problems attendant to the production and utilization of solid fuels.

I was impressed with the observation of the senior Senator from the State of Washington [Mr. MAGNUSON], at this year's hearing on appropriations for the Office of Coal Research. He said that increased population and progress in living standards would, by the end of this century, more than double energy requirements. There will, in effect, be two Americas as compared with today's population panorama, he explained, each needing more energy than is currently being consumed. For this reason, he concluded, both the Federal Government and private industry must pursue in depth every possible means of making certain that there will be an adequacy of fuels in the years ahead.

Through activities of the Office of Coal Research, a number of coal utilization breakthroughs are imminent, yet success might have come sooner if data on achievements in foreign laboratories were immediately available. In addition, I am confident that exchange of information in such fields as mine safety and air and water pollution control—including treatment of acid mine drainage—cannot help but expedite solution of the problems.

When the late Dr. Robert E. Wilson, a noted figure in the petroleum industry and later a member of the U.S. Atomic Energy Commission, received the Perkin Medal in 1943, he emphasized that "no country has, or can expect to have anything like a monopoly on brains," and he listed a number of essential military materials in use by the U.S. forces that had been developed abroad.

By the same token, there is every reason to expect that knowledge obtained from foreign scientists and engineers engaged in coal research can be extremely beneficial to our own effort, and that our laboratories can reciprocate in kind. I am not unmindful of the fact that representatives of the Department of the Interior and mine management and labor frequently go into foreign lands in search of information on developments in mining techniques, or that our coal fields have become accustomed to visits by foreign technicians. Yet, it would be neither reasonable nor practical to depend entirely upon this method of keeping abreast of progress in coal research.

A repository of information available to everyone interested in coal research would seem to be essential in a world that cannot wait for solutions that hamper the coal industry. I might suggest that West Virginia University at Morgantown would be an ideal location for such a facility. Located in the Nation's largest coal-producing State, Morgantown is already the home of a Bureau of Mines Laboratory. The Office of Coal Research has awarded projects to which the talents of both faculty members and students at the university are being directed. I foresee the many foreign countries which produce and/or use coal sending technical librarians to join the domestic staff in the many duties that would be involved in efficient operation of this research clearinghouse.

I congratulate Dr. Wallace R. Hibbard, Jr., Director of the U.S. Bureau of Mines, and those members of his staff who, with Mr. Overton and his assistants, are responsible for the plans that will establish the Pittsburgh Congress as an outstanding international coal meeting. Out of it, I trust, will come the inspiration and determination needed to bring about creation of a library on world coal research.

Mr. CLARK. Mr. President, I realize that this is the morning hour, but no Senators are seeking recognition; and therefore, since I have a number of insertions, and would like to engage in a colloquy with the Senator from New York and the Senator from Wisconsin, I ask unanimous consent that I may proceed without interruption for not more than 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL MONETARY FUND MEETINGS

Mr. CLARK. A few moments ago, the Senator from New York and the Senator from Wisconsin were engaged in what I believe to be a badly needed colloquy on the problem of our monetary and fiscal policy on the international front.

It has been my privilege, for several years, to be a congressional adviser or observer at the annual meetings of the World Bank, the International Monetary Fund, and their allied subsidiaries and institutions. I have been following with some interest, this year, the meetings currently being held at the Sheraton Park Hotel here in Washington.

I was most interested in hearing what the Senator from Wisconsin had to say, and the replies of the Senator from New York to his inquiries. Unfortunately, I was not on the floor when the Senator from New York made his initial remarks. But I should like to pose one or two propositions to the Senators, and see how they react to them.

In the first place, do the Senators agree that the United States is on the right track, under the leadership of Secretary Fowler, in pressing the other central bankers from the developed countries, to come to an agreement in the reasonably near future with respect to the medium of international exchange, the providing of additional liquidity for international trade, and hopefully the creation of a new unit of international exchange, which would not be so tightly tied to gold as is our dollar and, indeed, indirectly, the British pound?

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. JAVITS. I believe that Secretary Fowler is on the right track, but his train is moving far too slowly.

It has been my attitude—and I think it is shared by many here—that we should have moved forward in this area long ago. I think if we had asked for an international monetary conference 2 years ago, or more, we could have had some results by now, because the matter would have been projected less into the recesses of the cabinets of the particular central bankers and financial ministers who are concerned with the Group of Ten, and more into the forefront of international attention. Every month we have waited has only made worse the principal financial trouble facing the world—which is the condition of the British pound.

So I can only answer the Senator by saying certainly, the idea of pressing toward some new system of international monetary reserve is entirely the right track. I am thoroughly in accord with Secretary Fowler on it.

But I must say that the time we have spent—which has really been inordinate; the matter has gone on for 3 years now—while inordinate time does not mean anything normally, and we are all accustomed to being impatient, I am afraid in this case it has been terribly costly.

So this morning, I urge very much that instead of emphasizing the negative—that is, that if France makes it too tough for us, in respect to the deficiency in the international monetary system, by continuing to call on our gold reserves—our reaction should not be, as the Secretary indicated, a restrictive one, to-wit, that we will "adopt either overly severe domestic measures or apply unduly restrictive trade, capital and assistance

policies"—though all these measures would save enormous amounts of money, and hurt the French—but that we should proceed affirmatively with all our partners in the world in an effort to deprive France of this position by which she is enabled to victimize us by engaging in this call upon our gold.

I think that typifies my attitude toward Fowler. I think he is on the right track, but his train is running awful slowly.

I have been following this problem very closely for several years as ranking Republican on the Joint Economic Committee and last year and this year as a congressional observer to the International Monetary Fund's and World Bank's annual meetings, so that I am fully aware of the situation confronting him.

Mr. PROXMIER. Mr. President, will the Senator yield?

Mr. CLARK. In just a moment. I shall be happy to yield in a moment.

May I respectfully disagree, in very large part, with the Senator from New York? I agree with him in part. It has been my privilege, over the last several years, first as chairman of the Subcommittee on International Finance of the Committee on Banking and Currency, and more recently as a member of the Subcommittee on Economic and Social Affairs of the Committee on Foreign Relations, to follow very closely this problem of international monetary exchange, and the problems of the balance of payments, gold, and the dollar.

I know of my own knowledge that Secretary Fowler, for at least 3 years, has been aggressively pushing moves with the competent and comparable European financial executives, both through the International Monetary Fund, where he has received substantial cooperation from Pierre-Paul Schweitzer, the head of that Fund, and with the finance ministers of the various countries which are the creditor countries in the world, notably the Committee of Ten. He has been to Europe, and his deputy, Mr. Deming, has been to Europe, and has sat day after day and month after month with these people, trying to persuade these conservative European bankers of the necessity for moving toward a better medium of exchange than the gold exchange standard, for finding some way in which our payments could be brought into balance, and for creating a new unit of international exchange.

It is not for want of trying on Mr. Fowler's part. I do not know where he could go except to the ministers of finance and the central bankers, and that he has done, I can testify from my own knowledge, assiduously and continuously.

It is not only France that is giving us trouble in this regard. Only yesterday, the Governor of the Bank of Italy said, at the International Monetary Fund meeting, that he saw no immediate reason to increase international liquidity; he thought we ought to go slowly.

The United States has taken the initiative, and while I am very discouraged that we have not been more successful, I think we are making progress. I personally do not believe that the calling of an international monetary conference,

either a year ago or now, would achieve anything except a public relations success. What we have to do is to convince these extremely conservative and very hard-boiled European bankers—and in one or two other countries, too—that there is a need to look with more vision toward the future of the international monetary problem.

In my opinion, we will never arrive at a successful solution until all of us, including the United States, are prepared to yield some limited amount of our national sovereignty to an international agency such as the International Monetary Fund, which will have the power to control the flow of money and credit back and forth, without having the selfish interests of particular nation-states interfere with the process.

I now yield to the Senator from Wisconsin.

Mr. JAVITS. Before the Senator yields to the Senator from Wisconsin, if he will let me have 1 minute, so that I may finish the thought, I shall appreciate it very much.

I think what the Senator has stated is the threshold of what I have been recommending. Perhaps the Senator will not see the matter entirely as I do, but I should like to try to open the door.

We now have a consensus of opinion as to what needs to be done.

Mr. CLARK. No, we do not. That is just the trouble. We may have it in our country, but not overseas.

Mr. JAVITS. May I continue? We have a consensus that there is a need for a new international reserve currency. We would surrender our sovereignty to the extent that we put dollars in the reserve, because we would not be the sole managers of the reserve. So we would do exactly what the Senator has in mind.

The difficulty is that we find it very hard to get together with these central bankers, because they are not, as we are, under the gun of the devaluation of the pound, or some other impending political cataclysm.

What I have urged—and this is where I speak of the threshold—is that we open the door to the political world in this matter. If we have the expertise of these central bankers, and we bring to bear the impact of the demand of the peoples of the world on the effort, we could get this buttoned up and done. We did that with the fund when we created it. That was done at Bretton Woods. The situation we now face is just as critical as that which resulted in the creation of the International Monetary Fund.

Mr. CLARK. My point is that the political figures are already in. The finance ministers are naturally the individuals to whom the prime ministers are going to delegate the responsibility for so technical a matter.

This is not merely a group of central bankers meeting in a closed room to work out something without regard to their governments.

Secretary Fowler is a political officer. He was appointed by an elected President. This is also true in the case of the financial ministers in these other

countries. It is not merely the central bankers who are doing it.

William McChesney Martin has had a very little part to play in this. He is our central banker.

I do not believe that the Senator is correct in criticizing Secretary Fowler for dealing with central bankers and not politicians. I think this is intensely a political problem.

Mr. PROXMIRE. Mr. President, to answer the question as to whether Secretary Fowler is on the right track and as to whether he is doing the correct thing, I can agree in part with both the Senator from New York and the Senator from Pennsylvania.

I think the Secretary of the Treasury is on the right track. His train is moving too slowly, and nobody is more distressed than Secretary Fowler about this fact.

There is a technical reason why the Secretary cannot get other countries to agree to negotiate. They do not, in their judgment, have any present or immediate prospective need for more liquidity.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. That is why the additional monetary unit proposed by the Senator from New York is not so urgently wanted now. This was a matter of judgment on their part.

A year and a half ago they thought that by this year our international payments would be balanced. In fact, Under Secretary Deming so testified before the Joint Economic Committee.

Once we get our payments in balance, the need for international liquidity will be apparent. Then foreign countries will be willing to get together with us. If they are going to permit the kind of international expansion they need and the liquidity that they must have, they will see the need to get together and negotiate.

None of us likes the kind of painful policies that are necessary in the judgment of many people to get our payments in balance.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. That is the reason why Secretary Fowler has not been making the kind of progress that he wants to make.

Mr. CLARK. The Senator is correct. I point out that, in my judgment, the balance-of-payments situation is getting worse and not better.

The annual rate of the deficit during the second quarter was around \$1.6 billion. All early indications are that the third quarter will be much worse.

We have no feasible method left by which to bring our balance of payments in balance except two, one of which I would strenuously object to. One involves cutting back on our domestic prosperity by rigorous methods of austerity accompanied by restrictions on international trade. The other involves stopping the war in Vietnam and bringing the troops home from Europe. If we could eliminate those costs, we would go two-thirds of the way toward eliminating our balance-of-payments difficulty.

Mr. PROXMIRE. I am afraid that I left the situation dangling when I im-

plied that the only answer is to correct our balance-of-payments difficulty.

I do think that the Senator from New York brings in a very wholesome thought when he implies that we should not be so paralyzed and overwhelmingly concerned about the loss of gold.

The fact is that if we did refuse to buy gold at \$35 an ounce, the value of gold, in my judgment, would diminish quite rapidly. That is very controversial and the economists do not all agree on the matter. We need much greater discussion on this.

We do not have to make a judgment that we would otherwise not make with regard to military policy, foreign policy, and so forth in order to solve this very difficult world monetary situation.

Mr. JAVITS. The essential difference between the Senator and myself is not a critical matter. It is not a matter of criticizing Secretary Fowler. He is probably following the instructions of the administration.

Mr. CLARK. Reluctantly.

Mr. JAVITS. The Senator is correct, and he is doing so, in my judgment, to the best of his ability. I never criticize any President or Cabinet officer for doing his best.

In the famous TFX investigation, although I disagreed with the administration, I was its best defender.

I do not want to be in a position of criticizing Secretary Fowler, for whom I have a wholesome affection.

We must take this matter out of the private room in which it is being considered. We must expose it to the light of day. This is a matter of urgency.

It is like the old story of the war being too important to entrust to generals.

That is why I urge an international monetary conference.

Mr. CLARK. I do not think the investigation is being conducted in a smoke-filled room. All we would have to do to find out would be to go to the Sheraton Park Hotel and see the matter discussed in the presence of the representatives of the press from a hundred countries. I think this discussion has been on the top of the table.

That is why I cannot candidly agree with the suggestions of the Senator from New York, that, by the mechanics of calling an international monetary conference, we would be doing much more than is being done now.

Nobody wants to get off the gold exchange standard any quicker than I do. It is obsolete and outmoded. There is not enough gold being produced in our country, South Africa, Russia, or elsewhere to meet the needs.

As in the depression in the early thirties, we will have to abandon the gold exchange standard. I do not think the time is far away when we will have to abandon the gold exchange standard. It may well be that the suggestion of the Senator from New York that we refuse to buy gold is one step in the right direction.

Mr. JAVITS. I wish to cover one more point to make the matter clear in the RECORD.

Mr. CLARK. In the CONGRESSIONAL RECORD.

Mr. JAVITS. Interestingly enough, our debates are getting reported, although it may be a little delayed. However, people do digest them.

I have noticed that in respect to a number of recent matters.

We are pinned on a dilemma. If we reduce our balance of payments by the drastic method we have discussed, then we will very materially hurt our security and the security of the world. If we fail to reduce the balance of payments, then the fellows who are going to try to drive us into an international crisis in an effort to balance our accounts will be hurt the most, and they know this.

We must unilaterally move with our enormous financial and economic power to help ourselves and seek to avoid the inevitability of the Greek tragedy which is driving us toward an international balance-of-payments crisis.

The ways in which we can help ourselves unilaterally are the ways by which we have to explore the situation.

The unacceptable ways are the elimination of American tourism and the bringing back of our troops.

The acceptable way is to utilize the power of the dollar for its world effect. We should obtain freeze agreements with everybody else in the world with respect to calling on gold and leave only the French to call on it. We would thus imperil them with the sterilization of the gold they have so all they could do with such gold would be to make gold teeth out of it.

That is a tough method to pursue, but it is what we may have to do. That is the issue that I raise.

Mr. CLARK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 1 minute remaining.

Mr. CLARK. Mr. President, seeing no one else in the Chamber, I ask unanimous consent that I may proceed for not in excess of 10 minutes for the purpose of speaking on other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR PROXMIRE'S NEWSLETTER

Mr. CLARK. Mr. President, in September, last month, our able colleague, Senator PROXMIRE, of Wisconsin, issued a newsletter under the heading "Keep Down Prices You Pay by Cutting Government Spending." I find myself in complete accord with a large number of the suggestions made by the Senator in that newsletter, particularly his recommendations dealing with cutting out the waste in space, the problem of the jet-set giveaway—in other words, the supersonic transport—and the forcing of an additional half billion dollars, which the administration does not want, on the Defense Department.

I ask unanimous consent that excerpts from the Senator's newsletter may be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

KEEP DOWN PRICES YOU PAY BY CUTTING GOVERNMENT SPENDING

Members of Congress—especially Senators—without regard to party must take a heavy share of the blame for the rise in your cost of living.

Government spending does push up the prices you pay and no one can deny it. The government is competing for what you and I buy and driving up prices in the process.

CUT SPACE WASTE

This is exactly why I introduced amendments to cut half a billion dollars of highly inflationary frills out of the space program last month. I also fought to cut \$200 million Congress proposes to spend during this fiscal year for the supersonic transport.

The amendment to slash the space program would have reduced funds by 10%. It would have left enough to carry out the moon probe but forced space officials to do what every businessman and housewife has to do: stop the spending you don't really need.

JET-SET GIVEAWAY

As for the supersonic transport, the amendment would have prevented the \$40 million the Federal Aviation Agency will start to pour each and every month into building a prototype super-speed plane beginning next February.

Now if there's anything this country doesn't need, it's this giveaway to the jet-set. This plane will cost you as a taxpayer three billion dollars before it's completed, and it may never fly. Defense authorities, including Secretary McNamara, have indicated that the plane will have no military value at all.

NEW YORK TO PARIS IN TWO AND A HALF HOURS

If it does fly, it could carry a playboy and his girl from New York to Paris in about two-and-a-half hours instead of the present six. A Monte Carlo gambler could fly to Las Vegas to try his luck in a different setting in three hours instead of seven.

Along the way the sonic boom would leave a trail of broken windows, awakened and crying babies and falling plaster that Wisconsin "survivors" of the B-58 supersonic bomber runs of a few years ago can vividly recall.

At that time my office was deluged with complaints. Wisconsinites put up with this resounding nuisance out of patriotism. But you could hardly be expected to do the same for the pleasure-loving jet-set.

SYMINGTON JOINS FIGHT

The unsolved technical problems are so great and so expensive to solve that Senator STUART SYMINGTON (D-Mo.), a former Secretary of the Air Force and a leading champion of American aviation, helped me lead the fight for my amendment before the Senate.

The supersonic transport not only would have no military value but would be used strictly for private commercial purposes.

For the federal government to provide this kind of massive subsidy to a private industry is virtually unprecedented.

WHY FORCE ADDITIONAL HALF BILLION ON DEFENSE?

I also fought and voted to cut defense appropriations back by half a billion dollars to the level requested by the President and the Defense Department.

YOUR COST OF LIVING AT STAKE

Every one of these amendments was zeroed in to cut back government spending in the most inflationary part of the economy.

American business has sharply increased its spending for plant and equipment, breaking all records. Competitive government

spending in this area where manpower and materials are especially in short supply is sure to drive prices up.

And because the government with its deficit has to borrow money to pay for these additional expenditures, spending also drives interest rates up as government demand for money bids up the price of money; i.e., interest.

Our fight helped to make Senators more conscious of the fact that government spending drives up your cost of living.

We aren't giving up. We intend to carry on this fight!

SELECTION OF STEPHEN N. SHULMAN LAUDED

Mr. CLARK. Mr. President, a few days ago the Senate confirmed the President's nomination of Stephen N. Shulman as Chairman of the Equal Employment Opportunity Commission.

In my judgment, the President selected one of the Government's most capable young executives to serve in this key position. It will be my pleasure to work closely with him, as the chairman of the Subcommittee on Employment, Manpower, and Poverty, before which subcommittee come legislative matters dealing with equal employment opportunity.

I ask unanimous consent that Mr. Shulman's extensive scholastic, business, legal, and Government service accomplishments—which in my judgment indicate that the Commission, under his direction, should have a bright future—may be printed in the RECORD, in the form of a biographical sketch.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHY OF STEPHEN N. SHULMAN, CHAIRMAN, EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Shulman received an A.B. degree from Harvard University in 1954. He then did industrial and labor relations work for Bendix Aviation Corporation, first at the Friez Instrument Division in Towson, Maryland, and later at the Utica Division in Utica, New York.

He received an LL.B. degree, *cum laude*, from Yale University in 1958. At Yale, he was Editor-in-Chief of the Yale Law Journal and a member of the Order of the Coif honorary society.

Shulman was Law Clerk to Mr. Justice Harlan, Supreme Court of the United States, for the October Term, 1958.

He was associated with the law firm of Covington & Burling in the District of Columbia until May 1960, when he became Assistant United States Attorney for the District.

In February 1961, Shulman was appointed Executive Assistant to the Secretary of Labor by then Secretary Arthur J. Goldberg. While in that post, he served for a time as Acting Executive Vice Chairman of the President's Committee on Equal Employment Opportunity. In November 1962, he was appointed Deputy Assistant Secretary of Defense in charge of Civilian Personnel and Industrial Relations by Defense Secretary Robert S. McNamara. In August 1964, Secretary McNamara added Civil Rights to Shulman's responsibilities.

On September 1, 1965, Shulman took office as General Counsel of the Air Force. He has served, in 1959, as Visiting Assistant Professor of Law at the University of Michigan and, in 1965, as Visiting Professor of Management at the University of Oklahoma. In May 1966, Shulman was awarded the William

A. Jump Memorial Foundation Award for exemplary service in public administration in the Departments of Labor and Defense. He subsequently became a member of the Board of Trustees of the Foundation.

On August 30, 1966, President Johnson nominated Shulman as Chairman of the Equal Employment Opportunity Commission.

A native of New Haven, Connecticut, Shulman is 33 years old, and is married to the former Sandra P. Still, also of New Haven. They have three children: Harry, age eight; Dean Jeffrey, age five; and John David, age three.

THE ELECTION IN VIETNAM

Mr. CLARK. Mr. President, there has been a great deal of undue optimism, in my judgment, over the long-range results of the recent election in Vietnam.

I do not deny that the turnout at the election was highly gratifying, nor do I deny that a group of quite able Vietnamese citizens appear to have been selected to draft a new constitution for that unhappy country. But I suspect that many of the paeans of praise and joy and optimism which have been forthcoming from commentators and others are quite unjustified, in that they go much too far in their interpretation of what this election means.

Accordingly, I ask unanimous consent that a column written by Clayton Fritchey entitled "Why the Joy Over Viet Election?" may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, Sept. 19, 1966]

WHY THE JOY OVER VIET ELECTION?

(By Clayton Fritchey)

The post-election jag in South Viet Nam goes on unabated, and the intoxication of Washington officialdom almost equals that of the Saigon generals, who are described as "almost delirious with joy."

Premier Ky and the other leaders of the military dictatorship are hailing the election as a "triumph for democracy," a "smashing victory" for the government, and a testimonial to the ruling junta.

The President of the U.S. has added his own beaming benediction: "The large turnout," he said, "is to me a vote of confidence." Confidence in what?

If the American people swallow the new Ky-Johnson line, they will again end up disappointed and disillusioned, just as they have in the past when the truth ultimately deflated previous propaganda fantasies.

It is better to face up to the truth at once, and the truth is that the Viet Nam election (if it can honestly be called that) is by no stretch of the imagination a testimonial to Gen. Ky's military government.

No one yet knows what the election results really mean, or even portend, so Ky and his U.S. supporters simply proclaim that the mere size of the turnout (also in dispute) is in itself an endorsement of the government.

Yet the one, indisputable fact seems to be that if the vote is a testimonial to anything at all, it is to the people's deep desire to have an elected, civilian government, and not a self-imposed military one, such as Ky presently heads up.

Just how that constitutes a ringing affirmation of the Ky junta is something that baffles disinterested observers, most of whom see the election as a strong expression of

popular will for replacing the generals with a constitutional, representative government.

If that is so, why are the generals so elated? They are jubilant because they think they have succeeded (temporarily at least) in acquiring the protective coloring of a democratic election, without running any risks to their own future. They think they have fixed it so that they are safe no matter what happens. And they are probably right in this estimate.

As everyone knows, the only reason the elections were held in the first place is that the Buddhists forced Ky to call them. Last spring, it took weeks of demonstrations, violence, and fiery immolations to exact an electoral promise from the junta. The Buddhists have never been pro-Communist or pro-Viet Cong. They simply fought for elections and representative government until the militarists grudgingly gave in.

No doubt the hopes of many unsophisticated Vietnamese, especially in the provinces, have been momentarily raised by the joy of just casting a ballot; and no doubt many Americans would like to believe Premier Ky's statement that the election means "a brighter, more beautiful future" for his nation.

The only fly in this unctuous ointment, is that in the little more than 10 years of South Viet Nam's history there have been a dozen military governments, and none of these regimes, including Ky's, has yet been able to find a place for the people in the country's "beautiful future."

COST OF VIETNAM WAR

Mr. CLARK. Mr. President, there has been a great deal of discussion lately about how much the war in Vietnam is costing on a monthly basis. The other day, Secretary Fowler indicated that he thought the cost was about \$1.5 billion a month. An analysis of his figures shows that he eliminates a number of items which I believe most objective individuals would agree should be included in that cost.

During a colloquy in which I engaged with the Senator from Mississippi [Mr. STENNIS], during consideration of the defense appropriations bill, he gave me information which indicated that in his judgment—and in the judgment of Senator RUSSELL, the chairman of the Committee on Armed Services—the monthly cost was not less than \$2 billion a month.

In the Washington Post, on September 23, the cost of the war in Vietnam was stated by Marquis Childs, a well-known and very reliable commentator, as being \$2.7 billion a month. He states:

Rather than a random figure picked out of the air, this is a careful calculation accepted at the highest level of Government concerned with taxes and debt and the storm cloud of threatened inflation hovering over the economy.

I ask unanimous consent that a copy of Mr. Childs' column may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 23, 1966]

THE COST OF WAR AND THE ECONOMY

(By Marquis Childs)

The war in Vietnam is now costing \$2.7 billion a month. Rather than a random figure picked out of the air, this is a careful calculation accepted at the highest level of Government concerned with taxes and debt

and the storm cloud of threatened inflation hovering over the economy.

What is more, it is believed that President Johnson is now convinced he cannot wait until January to ask Congress for an increase in personal and corporate income taxes. Nor will Secretary of Defense Robert S. McNamara delay until after the first of the year his long-anticipated request for the added money to finance the war. This will be in the range of \$11 to \$14 billion.

These stark facts of life cannot be concealed by rhetoric. For the past six months the President, as so many of his predecessors before him in troubled times, has been imprisoned on the rack between the pulls of policy and politics. He has felt he had to postpone the bitter medicine, and one consequence is an aura of mistrust obscuring that brief passage on Pennsylvania Avenue between the Capitol and the White House.

Chairman WILBUR D. MILLS of the tax-writing Ways and Means Committee in the House called some time ago for a forthright statement of what the war was costing, how much economy could be expected in domestic programs and where this came out in relation to inflation and a tax increase. He found the reply sent by the Treasury vague and ambiguous.

With MILLS feeling he had been given a runaround, this did not improve the atmosphere.

McNamara's tactic in muffling the mounting cost of the war is also the source of widespread grumbling. In the current budget Vietnam spending is based on the assumption the war will begin to phase out in June and the American commitment curtailed. The reason, the Secretary explains, is to prevent the services from overspending. He cites the waste of some \$20 billion in materiel at the end of the Korean War as a horrible example of what he means to avoid.

But the rapid escalation in the cost of the war has created a growing sense of the unreality of the Administration's fiscal stance. During 1966 the cost has gone from an estimated \$1.5 billion to \$2 billion to the current \$2.7 billion a month. With virtually none of this contained in the budget the result is a never-never land in which incalculable forces threaten stability.

For most of us the money supply and interest rates are arcane matters as remote as the question of whether there is life on Mars. But what has been happening in recent months bring it down to the pinch of daily life, as anyone discovers traveling around the country. A loan for a year in college is hard to come by. The interest rate has skyrocketed on mortgages on old and new dwellings and the money is not there. The real estate market is slowing to a jog trot.

Whether this is the way to cure inflation is, to say the least, questionable, as the President has been told by those arguing for the simple method of a tax increase. The debate has been going on since last December when the Federal Reserve Board raised the re-discount rate despite the fervent plea of the President. Don't apply the brake on the money supply, the President argued, until you see our budget for next year.

As a sop to the chorus demanding action to damp down the rise in prices and interest rates, the President called for canceling the 7 percent investment credit. That undoubtedly fed the boom. The effect of cancellation will, however, hardly be felt before six months or more have passed. With the crucial date of Nov. 8 in the offing it was a gesture calculated to offend the minimum number of voters who could in any event be counted as already alienated from the Great Society.

When he signed the interest rate bill the President did not disclose what his aides describe as a kind of pact of peace with the Federal Reserve Board. The Fed, using the authority under the measure, will impose

a ceiling on long-term certificates of deposit, dropping the interest rate perhaps half of one percent from its present level.

Effective as this will be, in a limited sense, it is not, in the view of those profoundly concerned with the direction of the economy, a substitute for a tax increase to soak up surplus money. Nor, sad as it must seem to the President, are his appeals for voluntary cooperation from the bankers, trade unions, industry any more effective in throttling down the racing engine of prosperity.

INFORMATION SERVICES CENTER OPENED BY SMITH KLINE & FRENCH LABORATORIES

Mr. CLARK. Mr. President, I was happy, indeed, to receive a copy of a release issued by Smith Kline & French Laboratories, a respected and very prosperous drug company, which has its main office at 1500 Spring Garden Street in Philadelphia.

This release indicates that the company, at its own expense, is setting up an office where people in the Spring Garden area, which is part of our north central Philadelphia poverty area, can find out where they can get help when they need it. This office has already been officially opened, and I believe it to be the first service of its kind to be operated by a business concern.

I want to congratulate the company and all its executives, particularly F. Markoe Rivinus, its president, for this splendid action in the public service.

I ask unanimous consent that a copy of the press release may be printed in the RECORD at this point in my remarks.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

An office where people in the Spring Garden area can find out where they can get help when they need it will be opened officially today (September 23) at 1720 Mount Vernon Street.

It will be known as the Information Services Center and will be managed and supported by Smith Kline & French Laboratories, the pharmaceutical firm located nearby at 1500 Spring Garden Street.

It will be the first service of its kind to be operated by a business firm.

F. Markoe Rivinus, Smith Kline & French President, said the center was established to meet a serious need in the area.

"The center will be a bridge between the people of the Spring Garden neighborhood and government and social services. Our experience in this neighborhood has shown that the people do not know what services are available and do not know how to avail themselves of the services. Our purpose is to help fill this gap."

The center principally will serve the area bounded by Spring Garden Street, Broad Street, Fairmount Avenue and Twenty-first Street. The company estimates the area has a population of about 24,000.

The center has a staff of two and a secretary-receptionist. It will be open from 8:30 a.m. until 5:30 p.m. Monday through Friday.

Staff members are Carver A. Portlock and Tom Perry. Portlock formerly was Alumni Director of Bethune-Cookman College in Daytona Beach, Florida. Perry, who speaks Spanish, formerly was with the Human Relations Commission here. Ana Vazquez is the secretary-receptionist.

The center has been operating unofficially since April at the Mount Vernon Street address, which formerly was a church building. Portlock joined Smith Kline & French short-

ly afterward. Through the assistance of Mayor James H. J. Tate's office he received an orientation to the services available in the city government.

Among the problems handled by the center since April were finding jobs for adults and teen-agers; sending people to agencies which can supply food and clothing; trying to remedy housing problems, including a large number of requests for better housing; mediating debt problems; finding interpreters; giving advice on how to apply for such jobs as police officer and practical nurse; helping to get children enrolled in day camps, and so on.

Mr. CLARK. I hope that this action by this fine, public-spirited firm, Smith Kline & French, may be emulated by many others of our great industrial corporations, not only in Pennsylvania, but also across the Nation.

AMBASSADOR GOLDBERG'S VIET- NAM PEACE OFFENSIVE

Mr. CLARK. Mr. President, I turn now to the subject of Ambassador Goldberg's address at the United Nations on Thursday, September 22, and I ask unanimous consent that a copy of that address may be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 23, 1966]
TEXT OF GOLDBERG'S ADDRESS ON VIETNAM,
AFRICA, AND SPACE

(By Arthur J. Goldberg, Chief U.S. Delegate)

UNITED NATIONS, N.Y., Sept. 22.—As the General Assembly convenes in this 21st year of the United Nations, we of the United States are aware, as indeed every delegation must be, of the great responsibilities which all of us share who work in this world organization for peace.

No one, I am sure, feels these responsibilities more keenly than our Secretary General, U Thant. In the past five years he has filled with distinction and effectiveness what is perhaps the most difficult office in the world. We know how much selfless dedication and energy have been exacted from him on behalf of the world community. We can well understand how the burdens of his office led him to his decision not to offer himself for a second term as Secretary General.

But the United Nations needs him. It needs him as a person. It needs him as a Secretary General who conceives his office in the full spirit of the Charter as an important organ of the United Nations, endowed with the authority to act with initiative and effectiveness. The members, in all their diversity and even discord, are united in their confidence in him. His departure at this crucial time in world affairs, and in the life of the United Nations, would be a serious loss both to the organization itself and to the cause of peace among nations. We reiterate our earnest hope that he will heed the unanimous wishes of the membership and permit his tenure of office to be extended. His affirmative decision on this question would give us all new courage to deal with the many great problems on our agenda.

The peoples of the world, Mr. President, expect the United Nations to resolve these problems. With all their troubles and aspirations they put great faith in this organization. They look to us not for pious words but for solid results—agreements reached, wars ended or prevented, treaties written, cooperative programs launched—results that will bring humanity a few steps, but giant steps, closer to the purposes of the Charter which are our common commitment.

"MORE USEFUL CONTRIBUTION"

Realizing this, the United States has considered what it could say in this general debate which would improve the prospects for such fruitful results in the present session. We concluded that, rather than attempt to review the many questions to which we attach importance, we could make a more useful contribution by concentrating on the serious dangers to peace now existing in Asia—particularly the war in Vietnam—and by treating this subject in a constructive and positive way.

The conflict in Vietnam is first of all an Asian issue, whose tragedy and suffering fall most heavily on the peoples directly involved. But its repercussions are worldwide. It diverts much of the energies of many nations, my own included, from urgent and constructive endeavors. It is, as the Secretary General said in his statement on September 1, "a source of grave concern and is bound to be a source of even greater anxiety, not only to the parties directly involved and to the major powers but also to other members of the organization." My Government remains determined to exercise every restraint to limit the war and to exert every effort to bring the conflict to the earliest possible end.

The essential facts of the Vietnam conflict can be stated briefly. Vietnam today remains divided along the demarcation line agreed upon in Geneva in 1954. To the north and south of that line are North Vietnam and South Vietnam. Provisional though they may be, pending a decision on the peaceful reunification of Vietnam by the process of self-determination, they are nonetheless political realities in the international community.

The Geneva accord which established the demarcation line is so thorough in its prohibition of the use of force that it forbids military interference of any sort by one side in the affairs of the other; it even forbids civilians to cross the demilitarized zone. In 1962 military infiltration through Laos was also forbidden. Yet, despite these provisions, South Vietnam is under an attack, already several years old, by forces directed and supplied from the North, and reinforced by regular units—currently some 17 identified regiments—of the North Vietnamese Army. The manifest purpose of this attack is to force upon the people of South Vietnam a system which they have not chosen by any peaceful process.

Let it be noted that this action by North Vietnam contravenes not only the United Nations Charter but also the terms of General Assembly resolution 2131 (XX), adopted unanimously only last December and entitled "Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of their Independence and Sovereignty."

That resolution declares, among other things, that "no state has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state." It further declares that "no state shall organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed toward the violent overthrow of another state, or interfere in civil strife in another state." It would be hard to write a more concise description of what North Vietnam is doing, and has been doing for years, in South Vietnam.

Certainly the prohibition of the use of force and subversion—both by this resolution and by the Charter itself—must apply with full vigor to international demarcation lines that have been established by solemn international agreements. This is true not only in Vietnam but in all the divided States, where the recourse to force between the divided parts can have far-reaching consequences. Furthermore solemn international agreements, specifically the Geneva accords,

explicitly prohibit recourse to force as a means of reunifying that country.

Mr. President, it is because of the attempt to upset by violence the situation in Vietnam, and its far-reaching implications elsewhere, that the United States and other countries have responded to appeals from South Vietnam for military assistance.

Our aims in giving this assistance are strictly limited.

We are not engaged in a "holy war" against Communism.

We do not seek to establish an American empire or a "sphere of influence" in Asia.

We seek no permanent military bases, no permanent establishment of troops, no permanent alliances, no permanent American "presence" of any kind in South Vietnam.

We do not seek to impose a policy of alignment on South Vietnam.

We do not seek the overthrow of the Government of North Vietnam.

We do not seek to do any injury to mainland China nor to threaten any of its legitimate interests.

POLITICAL SOLUTION SOUGHT

We do not ask of North Vietnam an unconditional surrender or indeed the surrender of anything that belongs to it; nor do we seek to exclude any segment of the South Vietnamese people from peaceful participation in their country's future.

Let me say affirmatively and succinctly what our aims are.

We want a political solution, not a military solution, to this conflict. By the same token, we reject the idea that North Vietnam has a right to impose a military solution.

We seek to assure for the people of South Vietnam the same right of self-determination—to decide their own political destiny, free of force—that the United Nations Charter affirms for all.

And we believe that reunification of Vietnam should be decided upon through a free choice by the peoples of both the North and South without outside interference, the results of which choice we are fully prepared to support.

These, then, are our affirmative aims. We are well aware of the stated position of Hanoi on these issues. But no differences can be resolved without contact, discussions or negotiations. For our part, we have long been and remain today ready to negotiate without any prior conditions.

We are prepared to discuss Hanoi's four points together with any points which other parties may wish to raise. We are ready to negotiate a settlement based on a strict observance of the 1954 and 1962 Geneva agreements, which observance was called for in the communiqué of the recent meeting of the Warsaw Pact countries in Bucharest. And we will support a reconvening of the Geneva conference, or an Asian conference, or any other generally acceptable forum.

At the same time we have also soberly considered whether the lack of agreement on peace aims has been the sole barrier to the beginning of negotiations. We are aware that some perceive other obstacles, and I wish to make three proposals with respect to them:

First, it is said that one obstacle is the United States bombing of North Vietnam. Let it be recalled that there was no bombing of North Vietnam for five years during which there was steadily increasing infiltration from North Vietnam; during which there were no United States combat forces in Vietnam; and during which strenuous efforts were being made to achieve a peaceful settlement. And let it further be recalled that twice before we have suspended our bombing, once for 37 days, without any reciprocal act of deescalation from the other side, and without any sign from them of a willingness to negotiate.

U.S. OFFERS "FIRST STEP"

Nevertheless, let me say that, in this matter, the United States is willing once again to take the first step. We are prepared to order a cessation of all bombing of North Vietnam—the moment we are assured, privately or otherwise, that this step will be answered promptly by a corresponding and appropriate de-escalation on the other side. We therefore urge before this Assembly that the Government in Hanoi be asked the following question, to which we would be prepared to receive either a private or a public response:

Would it in the interest of peace, and in response to a prior cessation by the United States of the bombing in North Vietnam, take corresponding and timely steps to reduce or bring to an end its own military activities against South Vietnam?

Another obstacle is said to be North Vietnam's conviction or fear that the United States intends to establish a permanent military presence in Vietnam. There is no basis for such a fear. The United States stands ready to withdraw its forces as others withdraw theirs so that peace can be restored in South Vietnam, and favors international machinery—either of the United Nations or other machinery—to insure effective supervision of the withdrawal. We therefore urge that Hanoi be asked the following question also:

Would North Vietnam be willing to agree to a time schedule for supervised, phased withdrawal from South Vietnam of all external forces—those of North Vietnam as well as those from the United States and other countries aiding South Vietnam?

A further obstacle is said to be disagreement over the place of the Vietcong in the negotiations. Some argue that, regardless of different views on who controls the Vietcong, it is a combatant force and, as such, should take part in the negotiations.

Some time ago our view on this matter was stated by President Johnson, who made clear that, as far as we are concerned, this question would not be "an insurmountable problem." We therefore invite the authorities in Hanoi to consider whether this obstacle to negotiation may not be more imaginary than real.

Mr. President, we offer these proposals in the interest of peace in Southeast Asia. There may be other proposals. We have not been and are not now inflexible in our position. But we do believe that, whatever approach finally succeeds, it will not be one which simply decries what is happening in Vietnam and appeals to one side to stop while encouraging the other. Such a position can only further delay the peace we all desire and fervently hope for. The only workable formula for a settlement will be one which is just to the basic interests of all who are involved.

In this spirit we welcome discussion of this question either in the Security Council, where the United States itself has raised the matter, or here in the General Assembly, and we are fully prepared to take part in any such discussion. We earnestly solicit the further initiative of any organ, including the Secretary General, or any member of the United Nations whose influence can help in this cause. Every member has a responsibility to exert its power and influence for peace; and the greater its power and influence, the greater is this responsibility.

Now I turn to another problem, related in part to the first; the problem of how to foster a constructive relationship between the mainland of China, with its 700 million people, and the outside world. The misdirection of so much of the energies of this vast, industrious and gifted people into xenophobic displays, such as the extraordinary, difficult to understand and alarming activities of the Red Guards; and the official policy and doctrine of promoting revolution and subversion throughout the world—these are among the

most disturbing phenomena of our age. Surely, among the essentials of peace in Asia are "reconciliation between nations that now call themselves enemies" and, specifically, "a peaceful mainland China."

Let me say categorically to this assembly that it is not the policy of the United States to isolate Communist China from the world. On the contrary, we have sought to limit the areas of hostility and to pave the way for the restoration of our historically friendly relations with the great people of China.

Our efforts to this end have taken many forms. Since 1955, United States representatives have held 131 bilateral diplomatic meetings in Geneva, and later in Warsaw, with emissaries from Peking.

We have sought without success to open numerous unofficial channels of communication with mainland China.

We have made it crystal clear that we do not intend to attack, invade or attempt to overthrow the existing regime in Peking.

And we have expressed our hope to see representatives of Peking join us and others in meaningful negotiations on disarmament, a nuclear test ban and a ban on the further spread of nuclear weapons.

But the international community cannot countenance Peking's doctrine and policy of intervening by violence and subversion in other nations, whether under the guise of so-called wars of national liberation against independent countries or under any other guise. Such intervention can find no place in the United Nations Charter, nor in the resolutions of the General Assembly. Yet dozens of nations represented in this hall have had direct experience of these illegal activities.

ISSUE OF RED CHINA

It is in the light of these facts, and of our ardent desire for a better atmosphere, that the United States has carefully considered the issues arising from the absence of representatives of Peking from the United Nations.

Two facts bear on this issue and on the attitude of my country toward any attempted solution.

First, the Republic of China on Taiwan is a founding member of the United Nations and its rights are clear. The United States will vigorously oppose any effort to exclude the representative of the Republic of China from the United Nations in order to put representatives of Communist China in their place.

The second fact is that Communist China, unlike anyone else in the history of this organization, has put forward special and extraordinary terms for consenting to enter the United Nations. In addition to the expulsion of the Republic of China, there are also demands to transform and pervert this organization from its Charter purposes—some of them put forward as recently as yesterday.

What can be the cause of this attitude? We cannot be sure, but we do know that it comes from a leadership whose stated program is to transform the world by violence. It comes from a leadership which openly proclaims it is opposed to any discussion of a peaceful settlement in Vietnam.

It would almost seem that these leaders wish to isolate their country from a world—and from a United Nations—that they cannot transform and control. Indeed, they have already brought their country to a degree of isolation that is unique in the world today—an isolation not only from the United States and its allies, but from most of the nonaligned world and even from most of the Communist nations. Many, not only the United States, have sought improved relations and have been rebuffed.

At this moment in history, therefore, Mr. President, the basic question about the relation between Communist China and the United Nations is a question to which only

the leaders in Peking can give the answer. And I put the question. Will they refrain from putting forward clearly unacceptable terms; and are they prepared to assume the obligations of the United Nations Charter, in particular the basic Charter obligation to refrain from the threat or use of force against the territorial integrity or political independence of any state?

The world— . . . my Government—will listen most attentively for a helpful response to these questions. We hope it will come soon—the sooner the better. Like many other members here, the United States has the friendliest historic feelings toward the great Chinese people, and looks forward to the occasion when they will once again enrich, rather than endanger, the fabric of the world community, and, in the spirit of the Charter, "practice tolerance, and live together in peace with one another as good neighbors."

"GREAT AND THORNY ISSUES"

Mr. President, I have dwelt on these great and thorny issues of Asia because they are of far more than regional importance. Progress toward their solution would visibly brighten the atmosphere of international relations all over the world. It would enable the United Nations to turn a new corner—to apply itself with renewed energy to the great tasks of reconciliation and peaceful construction which lies before us in every part of the globe.

Surely peaceful construction is needed above all in the less developed areas. It is needed in Southeast Asia, today a region of conflict but also a region of vast undeveloped resources—where my country is prepared to make a most substantial contribution to the development of the whole region, including North Vietnam. It is needed in the Western Hemisphere, where, under the bold ideals of the Alliance for Progress the states of Latin America are already carrying out a far-reaching, peaceful process of economic and social development.

And indeed, in no area are the tasks of economic development more important than on the continent of Africa—represented in this hall by the delegates of 37 nations. Last May, in commemorating the anniversary of the Organization of African Unity, the President suggested ways in which the United States, as a friend of Africa, might help with some of that continent's major economic problems. Our efforts in this entire field are now entering a new stage as we begin to carry out the recommendations of a special committee appointed to review United States participation in African development programs, both bilateral and multilateral.

But the economic side of this picture cannot stand alone. The time is past when either peace or material progress could be founded on the domination of one people, or one race or one group, by another. Yet attempts to do this still continue in southern Africa today. As a result, the danger to peace in that area is real.

My Government holds strong views on these problems. We are not, and never will be, content with a minority government in Southern Rhodesia. The objective we support for that country remains as it was stated last May: "to open the full power and responsibility of nationhood to all the people of Rhodesia—not just 6 percent of them."

Nor can we ever be content with a situation such as that in South-West Africa, where one race holds another in intolerable subjection under the false name of apartheid.

DECISION IS REGRETTED

The decision of the International Court, in refusing to touch the merits of the question of South-West Africa, was most disappointing. But the application of law to this question does not hang on that decision alone. South Africa's conduct remains sub-

ject to obligations reaffirmed by earlier advisory opinions of the Court whose authority is undiminished. Under these opinions, South Africa cannot alter the international status of the territory without the consent of the United Nations; and South Africa remains bound to accept United Nations supervision, submit annual reports to the General Assembly and "promote to the utmost the material and moral well-being and the social progress of the inhabitants."

This is no time for South Africa to take refuge in an overly technical finding of the International Court, which did not deal with the substantive merits of the case. The time is overdue—long overdue—for South Africa to accept its obligations to the international community in regard to South-West Africa. Continued violation by South Africa of its plain obligations to the international community would necessarily require all members to take such an attitude into account in their relationships with South Africa.

Mr. President, many other questions of significance will engage our attention during this session of the General Assembly. Foremost among them are questions of disarmament and arms control, of which the most urgent are the completion of a treaty to prevent the further proliferation of nuclear weapons and the extension of the limited test ban treaty. Remaining differences on these issues can and must be resolved on a basis of mutual compromise.

Finally, I wish to speak of one further matter of great concern both to the United Nations and to my country: the draft treaty to govern activities in outer space, including the moon and other celestial bodies.

Major progress has been made in the negotiation of this important treaty, but several issues remain. One of these concerns the question of reporting by space powers on their activities on celestial bodies. A second issue concerns access by space powers to one another's installations on celestial bodies. On both of the points the United States, at the most recent meeting of the Legal Subcommittee of the Committee on Outer Space, made significant compromise proposals in the interest of early agreement.

Unfortunately and regretfully, the U.S.S.R. has not responded constructively to these proposals. Instead, it has insisted on still another matter: a provision requiring states which grant tracking facilities to one country to make the same facilities available to all others—without reciprocity and without regard to the wishes of the granting state. The obligation proposed by the U.S.S.R., as was apparent in the Outer Space Committee, was unacceptable to many countries participating in the outer-space discussions, and was supported only by a very small number of East European states.

Tracking facilities are a matter for bilateral negotiation and agreement. The United States has held such discussions and reached such agreements with a number of countries on a basis of mutual commitment and common advantage. France and the European Space Research Organization have also established widespread tracking networks on a similar basis. It is, of course, open to the U.S.S.R. and any other space power, without objection from my country, to proceed in exactly the same way.

I should like to state today my Government's interest in bilateral cooperation in tracking of space vehicles on the basis of mutual benefits, and I should like to make an offer to help resolve this impasse: If the U.S.S.R. desires to provide for tracking coverage from United States territory, we for our part, are prepared to discuss with Soviet representatives the technical and other requirements involved with a view to reaching some mutually beneficial agreement. Our scientists and technical representatives and meet without delay to explore the possibilities.

The outer space treaty is too important and too urgent to be delayed. This treaty offers us the opportunity to establish, in the unlimited realm of space beyond this planet, a rule of peace and law—before the arms race has been extended into that realm. It is all the more urgent because of man's rapid strides toward landing on the moon.

By far the greater part of the work on the treaty is now behind us. We have agreed on important provisions, including major obligations in the area of arms control. We should proceed to settle the remaining subsidiary issues in a spirit of understanding so that this General Assembly may give its approval to a completed treaty before the Assembly adjourns.

Mr. President, it is our earnest hope that the words of the United States today on all these issues may contribute to concrete steps toward peace and a better world.

We know the difficulties but we are not discouraged. In the 21 turbulent years since the Charter went into effect, we of the United Nations have faced conflicts at least as great and as difficult as any that confront us today. The failure of this organization has been prophesied many times. But all these prophesies have been disproved. Even the most formidable issues have not killed our organization—and none will. Indeed, it has grown great and respected by facing the hardest issues and dealing forthrightly with them.

There is no magic in the United Nations save what we, its members, bring to it. And that magic is a simple thing: our irreducible awareness of our common humanity and our consequent will to peace. Without the awareness and that will, these buildings would be an empty shell. With them, we have here the greatest instrument ever devised by man for the reconciliation of conflicts and the building of the better future for which all mankind yearns.

Mr. CLARK. I believe that we in the Senate have been slow to appreciate the very constructive nature of this splendid address, which was, I understand, cleared by both the Secretary of State and the President before it was delivered. I want to congratulate both the Secretary of State and the President for having permitted Mr. Goldberg to start this strong peace offensive.

I think that several points in the address are worthy of special comment.

In the first place, Ambassador Goldberg speaks of the necessity for concentrating on the serious dangers to peace now existing in Asia, particularly the war in Vietnam, and indicates that our Government remains determined to exercise every restraint to limit the war and to exert every effort to bring the conflict to the earliest possible end.

My deep regret is that while Mr. Goldberg speaks in the United Nations for the policy of our Government—and supposedly of the President and the Secretary of State—I note in the morning paper that we are sending American troops into the Mekong Delta for the first time. I also noted on a television broadcast this morning that American deaths last week reached a new high since May; that they again exceeded, as they have several weeks in the past, the total South Vietnamese casualties; that the number of wounded is drastically up.

I am gravely concerned that while we talk peace at the United Nations, not only are we accelerating the war in Vietnam, but also, our military commanders

are sending American boys unnecessarily to their deaths.

I believe the President should be called upon, in no uncertain terms, to stop this unnecessary slaughter and wounding of American boys, while the peace offensive initiated by Ambassador Goldberg can be given an opportunity to move forward—hopefully to result, at long last, in negotiations.

I point out that Mr. Goldberg, for the first time, makes this fine statement:

We are not engaged in a "holy war" against communism.

This is the first time that any responsible officer of our Government, so far as I know, has made any such statement.

Mr. Goldberg reiterates, and I am happy to hear him reiterate, what has been said before, but which I fear far too many people around the globe do not believe. He says:

We do not seek to establish an American empire or a "sphere of influence" in Asia.

That is good news.

We seek no permanent military bases, no permanent establishment of troops, no permanent alliances, no permanent American "presence" of any kind in South Vietnam.

That is good news.

We do not seek to impose a policy of alignment on South Vietnam.

That is extraordinarily good news.

We do not seek the overthrow of the government of North Vietnam.

That, too, is encouraging.

We do not seek to do any injury to mainland China or to threaten any of its legitimate interests.

This is, indeed, constructive comment. I would hope that others in the executive branch of the Government have taken careful note of what Mr. Goldberg has said. In particular, I refer to some of the hawks in the Department of State, in the Joint Chiefs of Staff, in the Central Intelligence Agency, and in all the other agencies in the executive branch of the Government, who have been taking so belligerent an attitude with respect to our policy in southeast Asia.

Mr. Goldberg says:

We want a political solution, not a military solution, to this conflict.

Let us stop the search and destroy policy; let us stop the bombing of North Vietnam; let us stop the unnecessary killing of American boys for purposes which do not serve our national interest.

Mr. Goldberg continues:

The United States is willing once again to take the first step. We are prepared to order a cessation of all bombing of North Vietnam—the moment we are assured, privately or otherwise, that this step will be answered promptly by corresponding and appropriate de-escalation on the other side.

This, indeed, is good news; but while he is saying that, we are stepping up the bombing of North Vietnam; we are moving into the Mekong Delta for the first time; American casualties are at a new high.

Why is it not possible for once, since this unhappy war began, for us to act the way we talk? Why, when we go with this initiative to the United Na-

tions, do we reinstate the bombing of North Vietnam at the same time?

Why can we not coordinate our policy behind the wise statement of Ambassador Goldberg?

Mr. President, in conclusion, although the entire speech deserves careful reading by every Member of the Senate—and I see in the Chamber the chairman of the Subcommittee on Disarmament of the Committee on Foreign Relations—I note with great pleasure that Ambassador Goldberg concludes by saying:

Mr. President, many other questions of significance will engage our attention during this session of the General Assembly. Foremost among them are questions of disarmament and arms control, of which the most urgent are the completion of a treaty to prevent the further proliferation of nuclear weapons and the extension of the limited test ban treaty. Remaining differences on these issues can and must be resolved on a basis of mutual compromise.

Mr. President, I wait for the day when the Secretary of State will permit Ambassador Goldberg, and will permit Mr. William Foster and his associates to make that reasonable compromise which within 24 hours could get us within striking distance of a nonproliferation treaty, by abandoning the outmoded and obsolete concept of a joint nuclear force in which the West German Government would retain an option to get its finger on the nuclear trigger.

I express admiration for Ambassador Goldberg, and I hope that the lead he has taken will be followed by others in the administration.

INTER-AMERICAN CONFERENCE OF THE PARTNERS OF THE ALLIANCE FOR PROGRESS

Mr. ERVIN. Mr. President, one of North Carolina's ablest young sons, Bill Suttle, president of the U.S. Junior Chamber of Commerce, made an eloquent and illuminating address at the Second Annual Inter-American Conference of the Partners of the Alliance for Progress in Rio de Janeiro, Brazil, on September 19, 1966. His address is worthy of the widest dissemination, and for this reason I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF THE PRESIDENT OF THE UNITED STATES JUNIOR CHAMBER OF COMMERCE

To be given the opportunity of participating in this Second Annual Inter-American Conference of the Partners of the Alliance is both a personal privilege and a real honor for the organization that I represent.

Although neither the United States Jaycees—more than a quarter-million strong in 6,000 communities throughout my country—nor Junior Chamber International, with thousands of local organizations spanning 77 free nations of the world, has any official connection with the Alliance for Progress or the Partners program, our aims and objectives are so closely related that I am convinced that it is fitting that we exchange ideas at a meeting of this nature.

Jaycees believe that the growth of the individual is the most important element of our movement and that the real solution

to the problems that face our communities today is having people who are big enough to shoulder the responsibilities of leadership. At least to my untrained eye, it appears that the objectives of our Partners program are also vitally concerned with a similar concept of growth and personal involvement.

With a true desire to stimulate individual growth and initiative among the peoples of the Americas—both North and South—the Partners of the Alliance can develop the public confidence necessary to pave the way for the big dreams embodied in the Charter of Punta del Este. Big governments can lay great plans, but only big people can build them into reality.

A speaker at a program such as this might receive great favor by spending his entire time reminding you of the great accomplishments of the first thirty months of the Partners of the Alliance. And, certainly, no one should ignore such things as the saline and dextrose solutions from the State of Florida that probably saved the lives of hundreds of children in Northern Colombia—the Texas tools that made possible the road to connect the village of Navan in Southern Peru with the remainder of the world. And, certainly, no one would ever want to forget the newsboy in Lima and the agricultural specialist of Rio Grande do Sul who are alive and able to contribute to society today because of the miracles of modern surgery made available to them through the actions of their North American Partners. You can point with real pride to the fifteen school districts in the State of Oregon who were able to conduct meaningful courses in the beautiful Spanish language and Central American Social Studies through the efforts of their Costa Rican Partners, and the drugs that Partners in New Jersey supplied to their friends in the Northeastern section of this country when it was ravaged by floods just a few months ago.

I could stand here for hours and share your pride in the hundreds of thousands of Latin American children whose opportunities for education and good health have been materially advanced through maps, books, physical improvements, and the like made available by their friends in North America; or in the like numbers throughout the Southeastern part of my country who are beginning to develop their knowledge and appreciation of the culture of this area because of the Venezuelan exhibits provided through the efforts of Partners in Caracas.

But, as grand as these accomplishments may be, they are mere reflections of the past and have little value unless they point us toward greater progress in the future. And examining each of these grand projects of the past reveals once again the fact that at the foundation of every one are people, big people, truly dedicated to sharing what is theirs with their fellow human beings in a manner that is materially beneficial.

Because the Partners of the Alliance is a spirit of People to People cooperation aimed toward a better life for all Americans, it can never lose sight of the primary importance of the worth and dignity of the human personality. Because Jaycees and Partners alike realize that none of our programs can ever be bigger than the people who are involved in them, we must return to our original premise that personal growth and involvement are the real keys to our future.

As we begin this conference that is invested with much of the faith that Americans share in each other, let us never lose sight of the fact that without growth we wither and die.

No man, no program, no government, no country, no way of life stands still. Each is either growing or it is regressing. Neither the Jaycee movement, the Partners of the Alliance, nor any other great idea treads water for any period of time. We either surge forward or we are swept away by the tides.

If the dreams of the Alliance are to come true, real growth by interested individuals in North, Central and South America must be planned at this meeting.

I speak of the growth we get when we are willing to start out on courses that are challenging, and that offer great rewards—even though their eventual end is not easily attainable. I am talking about the kind of growth that the English Poet Browning was referring to when he reminded us that "... a man's reach must always exceed his grasp."

If we are to move forward, we must have growth like that I saw in a young man during my college days at the University of North Carolina. This young man, who stands only five feet six inches, had a dream and the ambition and courage to make it come true. Day after day, in heat or cold, in sunshine or rain, you could find this small young man going around and around the cinder path upon which the track and field athletes competed. You could count on finding him there before his fellow team members arrived or after all others had gone. If you would remain long enough, you could see this small bit of humanity disappear into the wooded cross-country course and reappear many long minutes later running at the same determined pace. If we moved in and observed closely, we could see this young man extend his little legs to the point that it appeared they might tear right out of the sockets that bound them to his body and then make them reach another fraction of an inch in order that he might cut down on the great stride disadvantages that stood between him and his dream of being the greatest of all American distance runners. We would watch him breathe so deeply that it seemed his little barrel-like chest would rip his thin clad uniform from his body and then force his lungs to take even more air in order that he might develop the breathing capacity necessary to make his dream of a sub-four minute mile a reality.

Few, if any, of us who knew and admired this fine young man had any idea that his goals would ever be reached, but we certainly realized, at that time, that he was growing into a bigger and better human being. But Jim Beatty continued to live with his dream and with his determination that it would be realized and, in 1962, he ran the first mile ever by an American in less than four minutes. Later that same year, when his time for the mile went down to three minutes, fifty-six seconds and he broke seven other existing records, he became the fastest distance runner that my country had ever produced and was honored as one of the Ten Outstanding Young Men of the United States.

Jim Beatty grew as an individual because he had a great dream—a high and lofty goal and the courage to make it into a reality against obstacles that appeared to most to be insurmountable.

If the Partners of the Alliance is to really make its mark in history, it must have the same kind of determination and growth. We must have the great vision to see the invisible and the courage to accomplish the impossible. As we plan in meetings such as this, we must set our course according to the instructions of Theodore Roosevelt when he reminded us that "Far better it is to dare mighty things, to win glorious triumphs, even though checked by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much because they live in the gray twilight that knows neither victory nor defeat."

Growth toward greatness must begin with a great dream, and these dreams should be constantly before us as we plan for our every day lives or as we lay designs for the future of this program. If we are truly to stimulate the minds of our fellow Americans to become involved in the affairs of the vast community of our continents, we must present them

with stimulating and exciting ideas of greatness that will capture our imagination and motivate us all to untiring action and complete involvement.

We must unweave plans that challenge all toward real growth as we bring to fruition the grand dream of John Fitzgerald Kennedy, announced on March 13, 1961, to stimulate "... a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools."

We must find and develop big dreams of the magnitude of Simon Bolivar when he determined, more than 150 years ago, that his homeland should be free from the foreign tyranny that engulfed it, and we must then plant the seeds within the peoples of our Americas the courage to never relent until these dreams are realized.

The early developments of the Partners program and of the Alliance for Progress have been well received and have accomplished much. But we must realize that they, in truth, only have created a vehicle by which we can and must make life more abundant for the peoples of all America.

It is so easy for those of us who are fortunate enough to have been born free from want of the basic human needs to believe that the abundance to which we are accustomed is available to all. Likewise, we often forget, as we speed around the world in jet aircraft, that the frontiers of the present and the future are just as real as the challenges of the past.

Great advancements in transportation and communication have brought the peoples of our hemisphere closer together than ever before. But we must remember that the closeness we share is more than rapid travel and messages. It is truly a closeness that makes us brothers and responsible for the welfare of one another.

We must recognize our responsibilities and never allow any amount of present comfort or affluence to blind us to the vast frontiers of 1966.

So long as there is a Godless enemy that encompasses over one-third of the entire world and threatens daily to enslave the souls of all free men, Americans can never rest nor shrink from our duty of eliminating the hunger and plight that create a fertile ground for communist tyranny. So long as any American is denied by his environment the strength and opportunity to improve his own position while he develops a better community for his children there will be vast frontiers that must be crossed by the people of our hemisphere.

We cannot accept the fact that, in a part of our great hemisphere, only one child in six will be given any educational opportunity above the primary-grade level and that less than half will ever be exposed to formal education at all, realize that no great society can be built on a quicksand of ignorance, and not see the tremendous frontiers of education that we must cross in 1966.

So long as the masses of people in my country live in a void of virtual ignorance of the arts and culture of Latin America, there will be vast frontiers to be crossed there by the pioneers of the Partners program.

We cannot see the great numbers of human beings who, through centuries of isolation and ignorance, have been relegated to birth, life and death in homes that most of us assembled here would not consider fit for our domestic animals, call ourselves concerned and compassionate Americans and not realize that the demand for courageous pioneers in our hemisphere is just as great today as it was when Bolivar fought his way across this continent in the early 19th century.

So long as there is any place in America where two of every five infants die from malnutrition less than one year following their birth into what should be a beautiful

and opportune life, and where literally hundreds of thousands of innocent children below the tender age of six years perish every month for lack of sufficient nourishment to satisfy the demands of what might be healthy bodies, the challenges of the Partners program will be as great as those that faced the rugged patriots and pioneers who carved my country from a wilderness hundreds of years ago.

We cannot turn a deaf ear to the clear, clarion call for concerned, compassionate pioneers so long as there are any Americans whose lack of knowledge and basic tools makes it impossible for them to turn fertile soil into fields that glow with the grain necessary to feed the bellies of the starving masses.

Yes, the developments that draw us closer together bring with them the challenges and responsibilities that demand great vision as you plan for the future of this program.

But, as we plan for tomorrow, we must remember that our opportunity is much more than dollars and cents, full stomachs, flowing fields or adequate seats of education. We must heed the words of President Johnson at the celebration of the 5th Anniversary of the Alliance for Progress just a month ago when he reminded us that, above all, this great project means "... personal freedom and human dignity."

Wherever we turn, we see once again that the credit for all accomplishment and the hope for future success lies directly with big people.

The beauty of the Partners for the Alliance, and my Jaycee movement, can be found in the fact that they belong to you and to me and to all other interested people who will accept the challenge. Yours is a project that recognizes that the people involved are much more important than the dollars spent.

Because you recognize this basic fact and because you realize that the success or failure of any venture depends directly on its acceptance or rejection by the people affected, you realize that your ability to involve great numbers of people in the furtherance of this undertaking may well determine the ultimate success of the entire Alliance for Progress.

We all realize that there is enough latent energy and potential power locked within the citizens of all the Americas to completely eliminate the many problems mentioned here and the thousands of others that we all know exist. Our task, yours and mine, is to find the key to unlock and unleash that force for good, to destroy apathy, and to stimulate each of us to work as individuals, or through our various civic, service, fraternal, religious or professional organizations toward the beautiful America embodied in the dreams of Kennedy, Bolivar and thousands of others who have given their all to our hemisphere.

Let us never lose sight of the fact that our responsibility and our opportunity is, in fact, a partnership of people and that for such a relationship to long exist and to deserve the support of the people of all the Americas it must remain bilateral and be mutually beneficial.

As we attempt to stimulate the flow of the fruits of science and commerce from my country, let us remember that most of us there are striving for the language, art, culture and understanding that our fellow Americans to the South can give to us. We must all be concerned for one another.

As Jaycees, we state in our Creed "that earth's treasure lies in human personality and that service to humanity is the best work of life."

Big people are the only lasting answer to big problems. Great governments can construct mammoth highways and buildings, but only great people can enlist the confidence of the masses and build communities.

As you go about your vital work this week, may God grant you the vision and wisdom to open the hearts and souls of men to their opportunities to build a better hemisphere by being bigger Americans and genuinely involved with our fellow man through the challenges of this great Partners program.

THE SUPPLY AND DEMAND OF MINERALS

Mr. BYRD of West Virginia. Mr. President, I have always been amazed at the vast supply of natural resources which this country possesses—particularly the mineral resources.

Walter R. Hibbard, Jr., Director of the U.S. Bureau of the Mines, has reviewed both the supply and demand of natural resources during an address to the Mining and Metallurgical Society of America in New York on September 20, 1966.

I believe Dr. Hibbard's remarks are of utmost importance to every Member of Congress, and I ask that they be read.

I ask unanimous consent that "The Global Nature of Mineral Supply and Demand" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE GLOBAL NATURE OF MINERAL SUPPLY AND DEMAND

I have been looking forward with enthusiasm to this occasion. The Mining and Metallurgical Society, with a membership composed of outstanding leaders in our domestic minerals industry, makes an ideal forum for the subject I want to discuss with you tonight. All of you are fully cognizant, I'm sure, of the implications for your own industries, and for the nation, that lie in the increasingly global nature of mineral resource development. Many of you are associated with companies already operating on an international scale, and are therefore personally confronted almost daily with the problems and the opportunities that such operations entail.

I've chosen therefore to talk with you about some of these problems and opportunities, and to give you at least a general idea of ways in which one agency of the Federal Government—the Bureau of Mines—is actively concerned today with vital questions of international mineral supply and demand.

The importance of minerals, and of the industries that assure their availability, is recognized by all departments of the Government. Vice President HUMPHREY once again demonstrated that appreciation little more than a week ago in addressing the American Mining Congress in Salt Lake City, when he referred to minerals and fuels as "the essence of our economic growth and the spectacular rise in our living standards," and went on to say: "All of us, then, must be impressed with the achievements of the mineral industry in helping to lay the base for our national prosperity and our national strength."

As the United States' demand for mineral raw materials has expanded, we have come to supply less of our burgeoning needs from domestic resources. (The value of U.S. mineral imports increased from 2.5 billion dollars in 1954 to 5.2 billion dollars in 1964.) This does not mean that we have become a mineral deficient nation. However, we know that many of our mineral resources are found in concentrations or under conditions that are non-competitive at the current level of technology.

Largely because of these circumstances, industries that have assumed the responsibility to provide minerals and mineral products for

the economy have turned their attention to foreign sources that are economically attractive. New resources of minerals abroad are being developed and brought into production to supplement and complement domestic production, as well as to supply the large and still growing markets overseas. The expansion of American firms into the global minerals area has been extensive. The names of many of these firms, such as Gulf, Standard Oil, U.S. Steel, Bethlehem, Utah Construction, Kennecott, Anaconda, Alcoa, and Kaiser—to mention but a few—are known in virtually every country of the world.

The mechanisms employed in international mineral development are contracts and agreements, but the fundamental stimulating forces have been capital and technology. Of these two, perhaps capital is the more significant; in the form of direct foreign investment it certainly is more easily measured. As of 1964, the total value of direct foreign investments of the United States was over 44 billion dollars. Approximately 40% of this—or almost 18 billion dollars—was in mining and smelting, and petroleum—with petroleum alone being valued at over 14 billion dollars.

The financial returns to the United States on this investment are considerable. During 1964 the 18-billion-dollar investment in minerals earned 2.4 billion dollars of which 2.3 billion dollars was returned to the United States. In the same year, U.S. direct investments abroad in mining and petroleum were 0.8 billion dollars, so that the net flow to the United States was about 1.5 billion dollars. Our foreign investment in minerals and fuels represents about 1 out of every 5 dollars of the total private and government assets, investments, credits, and claims abroad. The income from foreign mineral and fuel investments is equivalent to 30% of the national income derived from our domestic mineral and fuel industries.

The rapid internationalization of U.S. mineral industries following the second World War has resulted in several definite benefits to the Nation. First, it has been a strong positive factor in our balance-of-payments position, helping to offset the debit resulting from payments made for minerals we import. Much of this income derives from the activities of U.S.-financed companies which involve production, distribution, and sales entirely in foreign countries. And second, our national security has been materially enhanced by increasing the diversity and flexibility of the overseas mineral sources upon which we depend.

There have, of course, also been benefits to emerging nations that have received encouragement and assistance in the development of their resources.

When, in 1965, the U.S. Government asked domestic industry to reduce the level of foreign spending, the suggested formula clearly recognized the importance of foreign investments to the U.S. economy. Companies were asked to limit foreign spending for the 2 years 1965-66 to 90% of the total spent in the 3 years 1962-63-64. This works out to an annual rate for the 2 years of 35% more than the average for the 3 base years. U.S. companies have cooperated with the request, although they—like the government—are aware that long-term investment curbs would reduce future dividends.

Careful study of foreign investments has revealed some financial relationships which may be applicable in general terms to mining and smelting. Experience indicates that in mineral-related areas about 60% of the investment flow abroad is to cover depreciation, with the remaining 40% going into expansion. In view of this ratio, it becomes clear that a high level of capital input must be maintained to avoid jeopardizing the total value of these foreign investments. Studies also indicate, that the net return on foreign investments must remain close to recent

levels. Only in this way can enough new capital be generated to sustain investment rates that can assure a continuing ability to meet expanding demands for products. Of course, I am assuming that there will be no significant change in the ratio of investment needed per unit of productive capacity such as would be occasioned by inflation.

The financing of foreign investments is only one of the problems facing U.S. mineral industries. Moreover, this problem is intensified and complicated by the shifting economic, political, and social patterns that accompany other changes in our world. You will recall; for example, that at the close of World War II the U.S. Government embarked on a program designed to restore the faltering economies of the European countries as well as those of Japan and many less developed nations. The resiliency of Europe and Japan has been amazing; however, the very success of the rehabilitation effort has resulted in the rapid growth of many industrialized economies with demands for minerals and fuels that parallel those of our own.

As with the United States, the appetite of West Europe and Japan for mineral raw materials has outrun the capacities of economically viable indigenous resources. Recognition of this fact sometimes has come painfully as it did to the coal mining industries of the United Kingdom and continental Europe.

Today, virtually every industrialized country is actively searching the world for mineral resources that can be developed to help supply their home demands.

The governments of France and Italy are financing exploration and development of petroleum outside their borders, and the oil industries of West Germany, Spain, Japan, and even India, are all expanding their operations into other countries.

Japan's hunger for copper has led her to finance development in British Columbia. Almost any industrialized country would welcome a new source of sulfur. The list of minerals for which world demand exceeds supply sometimes changes quickly, but almost invariably it seems to grow rather than shrink.

A considerable advantage can be gained by new and more sophisticated technology, but such advantages are only temporary unless research continues, because competitors are quick to catch up. We are all aware that it costs money to advance technology, and the expense of supporting an effective research organization is an important item in a company's financial calculations.

And the U.S. investor abroad has to face up to still another problem. Since the close of World War II, over 50 new nations have joined the world community as independent, sovereign entities. This proliferation has stimulated the growth of national aspirations in many foreign lands, and has introduced a whole new set of political personalities. Many of these new countries have instituted new rules for the foreign investor in terms of taxation, mining laws, and even social codes.

To some of the smaller countries whose mineral resources are their only visible wealth; the mining and export of these minerals appears as a dissipation of national riches that is inadequately compensated by wages and salaries, taxes, royalties, and the other economic benefits that accrue from mineral industry. Small countries sometimes hesitate to let the foreigner in for fear that his operations may grow so large as to dominate their economies. Inexperienced politicians often believe that their popularity depends on getting a larger share of the foreign operation than their predecessors or than their counterparts in other countries.

Such fears and attitudes are widespread and they must be dealt with realistically by

the foreign investor. As many of you know from personal experience, patience and tact can be as important to the foreign negotiator as his business acumen. More and more the American entrepreneur must be as skilled in diplomacy as he is in bargaining.

Once in operation, the foreign investing company may have to assume a wide range of social and economic obligations that would not be encountered in more fully developed countries. Construction of roads, railways, port facilities, and in many areas the development of power and water resources have come to be expected as a customary part of mineral investment. Take, for example, in Australia, where U.S. investment in mineral enterprise has swelled from \$33 million to over \$160 million in just the past five years. In that country, American-financed development of new iron and aluminum deposits has required the construction of an almost completely new transportation system.

Elsewhere, hospitals, schools, housing, and similar facilities are often considered a part of a foreign company's responsibility. As his contribution to social welfare, the foreign investor may even have to employ a larger labor force than he actually needs. And these large work forces tend to be perpetuated, thus negating some of the advantages achieved by introducing equipment designed to reduce labor costs. In addition, the foreign company may have to get along with a limited number of imported technicians, skilled craftsmen, and managers, employing instead indigenous personnel with limited or unsuited training and experience. There is, of course, another side to the coin, in that sophisticated mechanization is not always desirable—or even possible—in a foreign operation.

Such factors as these, to a degree, increase the financial risks of the foreign investor in a developing country, but none of these risks is so severe as that represented by nationalization or even expropriation. Sir Ronald Prain, of Roan Selection Trust, points out that this is a particular hazard in the newer African nations where the traditional tribal structure has produced a natural bias toward governmental controls and public ownership. Experience tells us, however, that expropriation and nationalization are by no means limited to that continent. While international law is fairly explicit as to compensation in the event of nationalization or expropriation, inadequate machinery for enforcement exists. Our Government offers a guarantee program for the foreign investor, but this too has a cost that must enter the financial calculations.

The obvious result of the necessity for maintaining a fair and equitable rate of return in the face of increasing competition and mounting risks, is that the U.S. company looking at foreign mineral deposits tends to become more highly selective, choosing only the better opportunities and passing up those that appear marginal. This is understandable. Nevertheless, it strikes at the whole concept of extending our mineral resource base to benefit both ourselves and the developing countries of the world.

Within this context, our Government has a very real stake in the efforts of domestic mineral industries who wish to enter, stay in, and expand the foreign operations field. A substantial share of that stake is being protected by the Federal agency that I now head—the Interior Department's Bureau of Mines.

Although the Bureau was for many years most active in programs relating directly to domestic operations, events of recent decades sparked recognition of the fact that the Bureau's responsibilities properly—indeed, necessarily—must include the foreign field. Just as it has happened with American industry, the Bureau's activities have become

increasingly responsive to international developments.

The pattern of the Bureau's international effort brings it into cooperative contact with industry at several points. As part of the Government's efforts to stimulate exports of U.S. coal, for example, the Bureau has made comprehensive analyses of energy growth factors abroad, or competitive energy availabilities and relationships, and of both short- and long-range potentials for coal sales abroad. We have also made special studies to obtain data for use in trade negotiations aimed at the relaxation or elimination of non-tariff barriers against the importation of U.S. coal. Bureau representatives participate in numerous international meetings on coal, both governmental and industrial, including the Coal Committee of the Economic Commission for Europe and the Energy Committee of the Organization of Economic Cooperation and Development (OECD), and in meetings of various technological organizations abroad pertaining to current mining and utilization practices and to research in both coal and coke. In addition, the Bureau has an extensive exchange of technical information with representatives of foreign governments and industry pertaining to efficiencies in coal and coke production, distribution, and utilization.

Our operations involve three distinct functions: First, we obtain important and essential information; second, we collate and analyze this information; and third, we use what we have learned as a basis for planning and also communicate this knowledge by means of reports and consulting services.

These functions are far more important to the Bureau than any description of them can imply. They form a viable, sustaining structure for our programs in minerals research and mineral-resources development. They enable use to identify many problems in advance and at least to anticipate the possibility that other problems may develop. As you are well aware, mineral-resource problems in the international realm can arise all too quickly and their effective solution often requires rapid adjustments in domestic programs and activities. The better our sustaining program, the better the results of the Bureau's own research and development efforts are likely to be.

A vital part of the system through which we are kept advised of international developments in mineral resources is the State Department's Minerals Attaché program, in which the Interior Department collaborates by recommending and advising in the selection of attachés, establishment of posts, content and character of reports, and in providing supplemental training.

At present there are ten (10) such attachés on duty, each of whom is a specialist either in minerals or petroleum. Four of these men are stationed in South America; two cover the continent of Africa; one man, stationed in Turkey, keeps track of developments in the CENTO countries and the Middle East; and the other specialists are stationed in England, India, and Australia.

The information transmitted in their dispatches and reports is supplemented by data that comes to the Bureau from such sources as OECD, from various United Nations' Commissions (especially the one for Europe), and from numerous industry and government contacts in foreign countries which have been developed over the years by the Bureau of Mines' own staff of international experts.

The National Academy of Science has shown its awareness of the need for strengthening the competence of the United States in the field of international mineral resource development, by recommending an expansion of the Mineral Attaché program, in recognition of the fact that the few attaches now in service—and the non-specialist foreign serv-

ice officers who supplement their efforts—are the eyes and ears of the United States Government in overseas mineral matters.

These men know, or must learn to understand, a country's mineral policies, laws, concessions, agreements, regulations, and administrative practices as they affect U.S. investment and supply. They should also understand and be able to explain both publicly and privately U.S. minerals policies. Most important, they must be able to report clearly and concisely on developments in the areas to which they are assigned.

Other sources, not formerly available, are also being used to improve the efficiency of the Bureau's information effort. For example, the United Nations is assembling worldwide trade and production data which for the first time are now readily available on a standardized basis for most of the world. The Bureau of Mines already is using much of these data and we are now examining the possibility of putting U.N. data into our own computer system. If this proves feasible, it could provide the basis for increased and more sophisticated analysis programs.

While we are improving the information flow, we are also working to adapt the newer analytical techniques and are developing better economic tools. We believe that we can strengthen considerably our ability to discriminate, rationalize, and assess priorities for mineral resource development abroad that will maximize benefits to our minerals industry and to host nations, and at the same time further the interest of the Federal Government in security of mineral supply and support of domestic economic growth.

In addition the Bureau of Mines obtains considerable firsthand information from various Interior Department personnel stationed abroad and assigned to the Agency for International Development. These scientists and engineers acting as advisors and consultants work closely with government and private officials in the mineral industries and, in this capacity, become most familiar with developments in the mineral industry and the thinking of the government officials. Vital information is systematically reported to Washington. Thus, these men, in effect, complement the work of the Mineral Attaches and other reporting officers abroad. Through their regular reporting, we are often given insights to current developments that we would not normally receive. We are able to acquire much valuable information from Geological Survey personnel serving in these same capacities where the Bureau of Mines does not have coverage. This comes about because of the effective collaboration between the Branch of Foreign Geology in the Survey and the Division of International Activities in the Bureau of Mines.

None of these activities can really pay off without a consulting function, and while the Bureau's capability in this area is not yet as great as we would wish, it is nevertheless considerable. We have a number of professionals with authoritative knowledge in mining, metallurgy, and associated engineering fields and several of them have acquired years of experience in mineral operations abroad.

It may surprise you to know that we reply to about 6,000 questions a year having to do with foreign mineral matters. Each of these, some very simple and others quite complex, represents a consultation. Recently, as part of continuing efforts to strengthen this consulting function, the Bureau began publishing detailed information on foreign mineral developments in a new fourth volume of its well-known Minerals Yearbook.

This area of consultation is one in which industry and the government can most easily come together. While industry is free

to operate throughout the world on its own, there are international governmental organizations in which industry has no direct voice. Bodies such as OECD are purely governmental but our government has established industry advisory committees so that its representatives can be informed of industry positions and needs. There also are various bodies such as the International Lead-Zinc Study Group and the International Tungsten Committee, which facilitate communication and understanding on problems concerning individual commodities, and, hopefully, there will be more of this kind of cooperation in the future.

But, while such groups are valuable, they do not make possible the broad-scale exchange of information and views that is needed to realize more fully the potential inherent in the international mineral-resource field. I believe there is a need for some sort of international forum on mineral resources in general where governments and industries, consumers and suppliers, and others who have legitimate interests can freely communicate. Such an organization could do much to promote wider understanding, to allay needless fears, and to stimulate cooperation in the handling of the world's mineral resource problems.

Right now the Bureau of Mines is participating in a program which though necessarily limited in scope, is helping to further these goals. In cooperation with A.I.D., the Bureau has trained some 400 foreign nationals in various minerals technologies. These people now are back in their own countries, forming a cadre of skilled personnel. Some of them are in government and some are in industry. But, wherever they are working, their training in the United States has given them a better understanding of American objectives, as well as American technology.

As I said earlier, the Bureau's international activities offer many points for contact with the mineral industries. While the Bureau has access to information channels not open to industry, the industry, just as clearly, has its particular and often exclusive sources of information. What we might call the field of mineral intelligence is very extensive and without complete, accurate, and current information each of us, industry and the Bureau, is partly blind. Discerning the opportunities and the hazards that abound in this new and expanding international world of minerals requires keen vision and continuous alertness.

Whether we are gathering information or analyzing it, both the Bureau and industry, to be truly effective, must supplement and complement each other. Techniques that you find successful should have value for us, and vice versa. Doubtless there are many areas in which our respective strengths can be merged to obtain results far better and with greater economy than could be obtained by either of us alone.

In essence then, the Bureau's international minerals program is based primarily on the efforts that the Bureau is making to gather and interpret significant data on international mineral developments and to bring it into a form that will serve the needs of Government and industry, so as to expand our access to needed resources. This is an essential part of our total program for advancing the security and prosperity of the United States. The Bureau invites your participation and your cooperation in this important aspect of its work.

Thank you.

PUBLIC HEALTH OR PUBLIC WORKS?

Mr. PROXMIRE. Mr. President, the Congress appropriated \$104 million this

year for the special milk program for schoolchildren. Although this is \$4 million above what was spent on the program in fiscal 1966, it is not enough to fully restore the 10-percent cut in the Federal reimbursement rate that was in effect during a large part of fiscal 1966.

Yet this figure is a drop in the bucket when compared with the huge sums being appropriated for public works. The Bonneville Power Administration alone was given over \$126 million in this year's public works appropriations bill by the House of Representatives—\$12 million more than last year. This means that the Bonneville Power Administration received a 12-percent jump over last year's appropriation while the school milk increase was a mere 4 percent.

As I have stated before on this floor, the school milk program is an excellent preventive health measure. It prevents disease by promoting good nourishment. The public works construction program drains vital dollars and materials from the construction sector of our economy. It seems to me that in the months ahead we must ask ourselves how we are going to allocate our precious tax dollars. The answer to this question holds the key to our national strength and welfare.

AN OPEN LETTER TO THE AMERICAN PEOPLE ON THE "CHINA DEBATE"

Mr. SIMPSON. Mr. President, the question of American policy toward China is a much discussed subject in the United States these days. Thanks to the misrepresentations of such nonexperts as John K. Fairbanks, Felix Greene, and Doak Barnett, the question has become one of substantial confusion in many quarters.

As an open letter to the American people on the "China debate"—New York Times, September 6, 1966—stated:

These "China experts" have made many assertions at variance with the facts. . . . They have distorted Maoism into something representative of a modernized extension of the venerable tradition of China.

And they have made a great claim at representing the "reality" of the China debate.

The open letter, to which I have alluded, comes as an effective answer to the utterances of those who would distort, sincerely or otherwise, the issue and history of the China debate.

The letter, which is signed by more than 1,600 university faculty members and scholars in the Republic of China, asserts that "the experts have no solid ground to support either their premises or their conclusions. Wittingly or unwittingly, they have helped the Communists, and harmed the cause for free Chinese everywhere in the world. They have rendered a disservice to the United States by undermining American efforts and credibility in the Far East."

I ask unanimous consent that the "Open Letter to the American People on the 'China Debate'" be printed in

the body of the CONGRESSIONAL RECORD with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO THE AMERICAN PEOPLE ON THE "CHINA DEBATE"

In recent months there have been proposals by certain persons in the United States that concessions be made to the Peiping regime in order to induce it to widen its participation in international affairs. Many so-called "China experts" in the United States have figured prominently in an organized propaganda campaign urging for a change of the United States China policy. They have lent their stature in the academic community to the inspired campaign to attain the desired ends. In their efforts to support their contentions they have displayed a knowledge of things Chinese, which is quite superficial even if sincere.

Capitalizing on what they allege as the authoritarian tradition of dynastic China during the last three milleniums, they argue that the Communist regime in Peiping is but the latest manifestation of the mainstream of Chinese cultural heritage. They claim that the existence of the regime is a "reality" which one must face, and that the only way to face up to the "reality" is to work toward a gradual shift from trying to isolate Peiping to admitting it to the United Nations and other international organizations. A few of them have even recommended that the United States policy should aim at eventual establishment of normal diplomatic relations with that regime. Conveniently, they ignore the fact that the regime oppresses the Chinese people and that the Chinese people hate the regime and continue to resist it. Furthermore, the present propaganda campaign is carried out at a time when Americans are dying in southeast Asia to check the expansionism of that very regime which they call Chinese. We, the undersigned, feel obliged to refute the assertions of these "China experts."

These "China experts" have made many assertions at variance with facts, the most apparent of which are as follows:

1. They have distorted Maoism into something representative of a modernized extension of the venerable tradition of China. The true Chinese tradition has, since time immemorial, consisted of love of one's kith and kin; charity for man; the virtues of propriety, humility, loyalty and sympathy, and the pursuit of universal peace and worldwide commonwealth. None of these virtues is compatible with the contrivances of the Chinese Communists to destroy family love and instigate mutual hate and class struggle. There is really no shortage of Sinologues in the United States. Can any of them find in real Chinese tradition even a shred of Stalinism or such Communist-made manifestations as: brain-washing, liquidation of a father by the son, betrayal of one's friends, slave-labor camps or the "people's communes"?

2. It is alleged that Chinese Communism is an expression of nationalism, a reaction against the humiliations and reverses China had suffered in the 19th century. Dr. Sun Yat-sen, who tutored modern China in nationalism, said that Chinese nationalism should aim only at righting past wrongs, and that China, when she achieves power, should not imitate decadent imperialist behavior. Early in this century, Chinese nationalism rose in self-defense against Japanese and Russian expansionism. Quite naturally, China was drawn closer to the West and Dr. Sun clearly advocated economic cooperation between China and the Western nations as the goal of China's national reconstruction. On the other hand, the United States

has never encroached upon any Chinese territory and the Chinese have always regarded the United States as a special friend. All the anti-American views one hears now are invented by the Communists and disseminated by their propaganda mills. They do not reflect the true sentiment of the Chinese people on the mainland.

3. The so-called experts strive to extol the supposed Chinese Communist economic and military strength. Of course China is a vast country with an immense population. But the Chinese Communists do not represent the Chinese people. The 600 million Chinese people, to use Peiping's figure, are not an asset but a liability to the Chinese Communists. Furthermore, in talking about economic development under the Chinese Communists, one should always beware of over-stated claims. In 1959, for example, the Chinese Communists themselves openly admitted that all production figures for 1958 had been exaggerated by from 50 to 58 per cent. Yet this is conveniently overlooked by the so-called experts. It is true that the Chinese Communists have test exploded three nuclear devices. These blasts are certainly storm signals. But as Hitler's V-1s and V-2s failed to bring him victory or to frighten the free world into submission, we need not tremble and cower before Mao's mushroom clouds.

4. These experts like to refer to what they call "fact" and "reality." Oh, fact and reality, what foolish acts and evil have been committed in thy name! When Hitler's armies began their march in Europe, Neville Chamberlain and Charles A. Lindbergh argued that this fact and reality must be acknowledged. Winston Churchill and Franklin D. Roosevelt refused to accept them. When Japan invaded China in 1937, certain American columnists also saw the invasion as an inevitable although unpleasant fact. But we Chinese refused to accept it. The "realists" of today see only what they regard as facts, but decline to take into consideration the actual facts contrary to their thesis, such as: the numerous anti-Communist incidents on the Chinese mainland (249,012 in 1961 versus 56,000 in 1955, according to the Chinese Communist "Ministry of Public Security"), the open rebellion of the intellectuals against the Communists (and in the name of Chinese tradition too), the escape to freedom of thousands upon thousands of youths, and the defection of many officers of Peiping's armed forces and its diplomatic and civil functionaries.

5. The "peace mongers" try to influence the thinking of the peace-loving Americans with the specter of war. Some say a new policy of accommodation and gradual yielding is the only alternative. Since war is dangerous, recognition of the Peiping regime becomes a panacea. But what inherent right have the Chinese Communists to present the United States with the choice between submission and war? Has not the United States the same right to insist that the Chinese Communists give up the use of force and their announced goal of world revolution through subversion and "people's liberation wars"? Some say Peiping is a "hungry tiger" which loses its temper when frustrated or irritated by the United States. If this "pet" is lovingly patted and well fed, so the theory goes, it will regain its Confucian virtues. Such views of the "China-experts" dumbfound us. They are defending the tiger's right to devour others in the hope that it will never be hungry again.

6. These experts prescribe "containment without isolation" under which five steps are urged:

General softening of the United States policy toward Peiping to achieve "containment without isolation". This, however, is self-contradiction. Unless the regime is effectively isolated it will continue to resort to

subversive activities as it has been doing all along. Containment then becomes impossible. In that event, not only the free world position in Southeast Asia will become untenable, but the retreat will not be confined to Vietnam. Furthermore, these same experts say that this formula of "containment without isolation" has proved effective in dealing with Soviet Russia, but they forget that whatever compromise Moscow has made should be attributed only to United States firmness, not concessions.

Admission of Peiping into the United Nations. For a variety of reasons some American experts advocate a seat in the United Nations for the Chinese Communists, "even though they said they would dynamite the place." Peiping's admission would violate both the letter and the spirit of the United Nations Charter. Furthermore the Chinese Communists will certainly engage in large-scale subversive activities in the United States. These experts, at the same time, suggest half-heartedly that the United Nations seat of the Republic of China should be preserved. In reality, however, they are dealing a severe blow to the cause of a free China, and denying the people on the Chinese mainland any hope of deliverance.

Lifting of the trade embargo on the Chinese Communists, and acceptance of their participation in nuclear controls. If isolation of the Chinese Communists is to end, the embargo on trade with the Chinese mainland would have to be lifted, these experts contend. This is tantamount to helping the enemy by replenishing his stocks and arsenals. The Chinese Communists are already employing to great advantage their crude bombs for blackmail. They have arrogantly refused to join the nuclear test ban treaty. Why should they accept international controls unless, as they have proposed, the United States would scrap all nuclear weapons along with them? And even then, who can guarantee that they will not continue to develop their atomic arsenal in secret, and will not in time brandish their bombs to threaten the world?

Progression from appeasing flexibility to eventual recognition. These American experts are in fact asking the United States to yield to their pressure and accord diplomatic recognition to a U.N.-condemned aggressor, who is directly and vicariously responsible for the murder of Americans in Korea and Vietnam. Such a proposal makes a mockery of righteousness and justice, and constitutes a breach of faith with thousands upon thousands of Americans who gave their lives unhesitatingly for freedom.

Permitting Chinese Communist reporters and scholars to visit the United States. As expected, Peiping has already rejected contemptuously recent American offers to exchange visits, for it has no intention of lifting up the Bamboo Curtain to allow its own reporters and scholars, some of whom have figured prominently in the current purge, to escape to freedom. If Peiping should some day permit their people to visit the United States, it will only mean that the Chinese Communists have decided to send disguised secret agents and agitators to subvert the Americans.

7. Finally, if the medicine prescribed by these "experts" is administered, will the hungry tiger turn into a "humanistic bureaucrat"? We find the "experts" arriving at different conclusions from their shared premises. Some say that a change in Peiping's policy will be possible when Mao Tse-tung dies, citing Peiping's recent frustrations in Indonesia, Cuba, Ghana, and elsewhere. Others tell us that frustrations will only provoke the hungry tiger into more violence. Ironically, the truth of the matter lies in what Marx said of Czarist Russia—aggression is sure to follow aggression and expansion to follow expansion. History and common sense

tell us that a hungry tiger's appetite is whetted everytime it gets a good meal.

To sum up, we submit that in their proposals for far-reaching changes in the United States policy, the "experts" have no solid ground to support either their premises or their conclusions. Wittingly or unwittingly, they have helped the Communists, and harmed the cause for free Chinese everywhere in the world. They have rendered a disservice to the United States by undermining American efforts and credibility in the Far East.

We solemnly declare that we have no desire of seeing the United States go to war with the Chinese Communists for, in the event of armed hostilities, both the American people and our own people will suffer. However, should the proposals of the "experts" be adopted, thus fostering the growth of Chamberlainism in the United States, the Chinese Communists may be encouraged to risk a war with the United States as soon as they feel strong enough to do so. It is precisely because we desire to prevent such a war that we feel duty-bound to state our views.

The only things we Chinese people ask of the United States are:

(1) that she, pursuant to the traditional friendship between the two countries, stand firm on her present policy of recognizing the government of the Republic of China as the only legal and true representative of the Chinese people and not the Communist regime in Peiping which does not represent the people on the Chinese mainland; and

(2) that she distinguish friend from foe and refuse to be a party to the Chinese Communists' crime of persecuting the people.

May the United States keep close to her heart the following memorable words of President Abraham Lincoln: "Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it."

This open letter signed by more than 1,600 university faculty members and scholars in the Republic of China is brought to you by the following organizations representing Chinese communities in their cities and states:

Chung Ping Tom, President, Chinese Consolidated Benevolent Association, New York, New York.

Bob Lee, President, Chinese Consolidated Benevolent Association of New England, Boston, Massachusetts.

Poy Fong, Kai Lee, Co-Presidents, Chinese Benevolent Association, Philadelphia, Pennsylvania.

Y. N. Yee, President, Chinese Benevolent Association, Pittsburgh, Pennsylvania.

William Chin, President, Chinese Consolidated Benevolent Association, Washington, D.C.

Y. S. Hom, S. M. Chin, Co-Presidents, Chinese Consolidated Benevolent Association, Baltimore, Maryland.

Robert Tongman, Chairman of the Board, Chinese Association of Arkansas.

J. W. Lock, President, Lung Kong Tin Yee Association, Memphis, Tennessee.

Wong Yin Doon, King High Tam, Pow Sam Yee, T. Kong Lee, Edward Chen, Tim Hall, James Hsieh, Co-Presidents, Chinese Consolidated Benevolent Association, San Francisco, California.

King C. Yee, Tom Chin, Co-Presidents, On Leong Merchants Association, Detroit, Michigan.

Albert K. Leong, President, Chinese Consolidated Benevolent Association, Chicago, Illinois.

Frank Wong, President, Chinese Consolidated Benevolent Association, Los Angeles, California.

Gilbert Gor, President, Chinese Consolidated Benevolent Association, Houston, Texas.

M. B. Lew, President, Chinese Association, San Antonio, Texas.

Charles Y. Wah, President, Washington State Chong Wa Benevolent Association, Seattle, Washington.

Sam B. Liu, President, Oregon State Chinese Consolidated Benevolent Association, Portland, Oregon.

Ray W. Joe, President, On Leong Merchants Association, Greenville, Mississippi.

Frank Gee, President, On Leong Merchants Association, New Orleans, Louisiana.

N. K. Wong, President, Chinese Chamber of Commerce, Phoenix, Arizona.

Yuk Hoon Wong, President, United Chinese Labor Association of Hawaii.

STILL TIME TO ACT ON STRIKE LEGISLATION

Mr. SMATHERS. Mr. President, once again the Nation's industrial peace has been shaken by labor-management stalemates that threaten to erupt into serious strikes.

Only hasty last-minute maneuvering averted a walkout at American Airlines that was scheduled to begin this morning. But, there is every indication that a threatened strike at General Electric will become a reality next Monday. It appears that members of the International Union of Electrical Workers are overwhelmingly rejecting a General Electric contract offer, and the prospects that agreement can be reached before the Monday deadline are dim.

Should General Electric and the IUE somehow arrive at a settlement before Monday, there is still the possibility that Westinghouse, where the IUE's contract expires soon, could be struck.

In addition, compacts in the automobile, trucking, construction, and machinery industries are up for renewal in the near future.

For the moment, we have escaped the hardships and economic losses that accompany major deadlocks. There is little likelihood, however, that we will be able to avoid at least one crippling strike in the next year.

As usual, it will be the public—average citizens with no interest whatever in the issues that divide these particular employers and employees—that will suffer the most from the upcoming walkouts.

Merchants, housewives, students, Americans of every occupation will be hit by the economic fallout from labor-management explosions over which they have no control.

Mr. President, there may be some question as to whether a strike at either General Electric or Westinghouse would have the impact of this summer's airline strike or last winter's New York subway walkout. But there can be no questioning the fact that our machinery to deal with such impasses, when they imperil the public interest, is woefully inadequate.

The Railway Labor Act has proven completely ineffectual. It was powerless to protect the American people in 1963, during the railroad work rules dispute. It was powerless to do so last July. It will be just as impotent in the future.

Similarly, the emergency strike provisions of the Taft-Hartley Act offer no final solution to management-union conflicts that pummel the public while they go unresolved.

I am convinced that Congress cannot much longer fail in its obligation to guard the interests of the citizens of this Nation. The precedents for action are clear.

In the airline and other transportation and communication industries, we have already recognized the public stake by providing subsidies and regulating rates and routes. We have in effect declared that these industries perform vital public services and must be operated to benefit the public.

In other types of enterprises, Congress has the responsibility to act under its Constitutional authority to regulate interstate commerce.

On February 8 of this year, I introduced S. 2891, a bill to create a five-man U.S. Court of Labor-Management Relations. This court would have jurisdiction in labor-management stalemates adversely affecting the national interest and would provide the machinery through which binding settlements could be achieved in the most intransigent deadlocks.

The labor court idea is hardly a new one. Labor columnist Victor Riesel points out that Sweden, which has long had such an institution, has not had a major strike in 21 years. Although the Swedish court differs in some respects from what I have proposed, its purpose is the same: Labor peace. The results have been spectacularly successful.

In addition, labor courts in Australia and New Zealand have helped cushion those nations against the harsh blows of industrial strife.

Mr. President, the American people should not have to wait for a repetition of this year's 41-day airline strike before Congress moves to tighten our national labor laws.

A first step in that direction should be taken now, before a crisis situation inflames emotions and clouds reason. That first step should be hearings before the Subcommittee on Improvements in Judicial Machinery, where S. 2891 is now pending.

Although the 89th Congress is nearing adjournment, there is still time to act on this measure, and I am hopeful that we can begin now.

VIETNAM PEACE PROPOSALS OF AMBASSADOR GOLDBERG

Mr. MOSS. Mr. President, as I read the Vietnam peace proposals offered by Ambassador Goldberg at the United Nations last week, it seems to me that the tone of compromise is greater than it has ever been before.

To my knowledge, for example, we have never stated with such clarity that we do not ask North Vietnam to surrender anything "which belongs to it," nor do we seek to exclude "any segment" of South Vietnam from participating in peace discussions or in the peaceful future of their country.

Ambassador Goldberg also restated, with eloquence and firmness, the limited purposes for which the United States is giving assistance to South Vietnam, and exactly what our aims there are.

Because I feel we cannot repeat too often our aims in southeast Asia and our moderate and judicious proposals for ending the Vietnam conflict, I should like to read them again here, as expressed by Ambassador Goldberg:

First, this is what we are not doing in Vietnam.

We are not engaged in a "holy war" against communism.

We do not seek to establish an American empire or a "sphere of influence" in Asia.

We seek no permanent military bases, no permanent establishment of troops, no permanent alliances, no permanent American "presence" of any kind in South Viet Nam.

We do not seek to impose a policy of alignment on South Viet Nam.

We do not seek the overthrow of the Government of North Viet Nam.

We do not seek to do any injury to mainland China nor to threaten any of its legitimate interests.

We do not ask of North Viet Nam an unconditional surrender or indeed the surrender of anything that belongs to it; nor do we seek to exclude any segment of the South Vietnamese people from peaceful participation in their country's future.

And, now this is briefly what we seek:

We want a political solution, not a military solution, to this conflict. By the same token, we reject the idea that North Viet Nam has a right to impose a military solution.

We seek to assure for the people of South Viet Nam the same right of self-determination—to decide their own political destiny, free of force—that the United Nations Charter affirms for all.

And we believe that reunification of Viet Nam should be decided through a free choice by the peoples of both the North and South without outside interference, the results of which choice we are fully prepared to support.

It seems to me this puts the problem pretty directly in the lap of the government at Hanoi. The next move is up to them. We reiterate our good faith offer to negotiate unconditionally for a political settlement without loss of honor by those involved.

OMBUDSMAN

Mr. LONG of Missouri. Mr. President, the concept of ombudsman has started to interest many people across the Nation. An article appeared in *Focus/Midwest*, 1965, suggesting that—

As the Ombudsman program is more readily transferable to state rather than to the Federal Government in our country, Missouri and Illinois could take the lead in bringing this concept to the U.S.A.

Mr. President, I think it is important for the States to consider the merits of an ombudsman system. I ask unanimous consent to insert, at this point in the *RECORD*, the article referred to.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

WE NEED AN OMBUDSMAN
(Thomas E. Elchhorst)

What can you do if a bureaucrat irritates you, or delays too long, or requires too much red tape, or petulantly denies what you want?

This problem is of increasing importance as governmental agencies proliferate and

their activities become even more encompassing. The answer, like many other reforms, is the result of the political experimentation in that great practical laboratory of social progress—Scandinavian government; it is the Ombudsman.

Nordic peoples have long provided a review for the actions of the leadership of the tribe or nation. The fierce and rapacious Vikings have left a deep and lasting impression on our concepts of fair play and justice that more than compensates for their violent visitations a millenium ago. These warriors established *lovsigemands* (law speakers) who would proclaim the law and regulate the primitive processes of government. The first truly representative national assembly is another of the governmental gifts of the Norseman; the Iceland Athing, established in 930, is the world's oldest parliamentary body.

The office of Ombudsman inaugurated in 1809, is but another part of Sweden's development of a bureaucracy bound by the rule of law. The Swedish Parliament must choose a person of known legal ability and of outstanding integrity for Ombudsman. Though a lawyer, he is not bound by legalistic rules, but instead is encouraged to be an ingenious pragmatist in order to find an acceptable remedy for every administrative error. The powers and jurisdiction of that Swedish Ombudsman have been continually extended so that his area of review now includes almost all of the national bureaucracy.

The other Scandinavian nations have also established such an office: Finland in 1919, Denmark in 1955, and Norway in 1962.

In recent years the value of this Office has become more widely known and the practice has now jumped half-a-world to New Zealand, where an Ombudsman was recently appointed. At present, England, Australia, and several of the western provinces of Canada are considering setting up a similar program. As the Ombudsman program is more readily transferable to state rather than to the federal government in our country, Missouri and Illinois could take the lead in bringing this concept to the U.S.A.

The Ombudsman, which in Swedish means agent, is an official appointed, usually by the legislature, to see that the people are treated properly by their government. The Ombudsman is not unlike the man who hears complaints in a large department store. He is the man who hears every grievance, no matter how fanciful or far-fetched. Indeed, he concerns himself with the pettifoggish complaints no one else in the impersonal government seems to bother about.

Under the present Ombudsman systems, his activity is usually triggered by a letter of complaint from a citizen. The Ombudsman then investigates the action (or inaction) in an attempt to obtain satisfaction for the citizens. Sometimes, as a result of investigating such a complaint, or on his own motion, he may decide to make a major study of a large problem involving many individual cases. The Ombudsman inquires into substance, procedure, legality, delay, convenience, and even politeness. While he has no power to change administrative decisions, he can investigate, criticize, recommend, and publicize.

The theory and practice of Ombudsman-ship is grounded on the cardinal principle of checks and balances. This principle, as it relates to the Ombudsman system, prescribes that the action of a government official should be reviewed by another official who can challenge the action, but cannot substitute judgment. Because the Ombudsman is not involved in making the substantive decisions, he can focus his attention on the administrative procedures. The essential idea behind this system is the view that con-

tinuing constructive criticism can significantly improve the governmental processes.

The success of the program depends on the personality of the man chosen for the office. To properly perform his duties, the Ombudsman should combine an intimate knowledge of state government and the leading political and administrative personalities with a profound belief in freedom and democracy; be shrewd, tolerant, good humored, and be imbued with a sense of the value and the limits of his office, and be without vanity or self-importance. Every country which has established the office, has been blessed with an able and very human administrator with a penchant for anonymity—just what the position requires.

If, as a result of his investigations, the Ombudsman finds that the bureaucrat's actions were wrong, he can publicly or privately reprimand him. This power has been helpful in restoring a sense of purpose to an errant government worker, particularly when the complaint has involved an impersonal or condescending attitude held by some administrative employees. In other cases, the Ombudsman might refuse to criticize a past decision of a government worker, but probably would suggest guidelines for future actions. When the basic procedures are faulty, he can recommend far reaching changes and improvements. It is up to the administrative officials or the legislature to implement these suggestions. It has been the experience of the Scandinavian countries having the Ombudsman, that the prestige of the office and the publicity given to his pronouncements by the popular press are powerful weapons. The threat of possible criticism by the Ombudsman has had a desirable effect upon public officials and civil servants.

The rectification of individual wrongs, and the continuing improvement of the administrative system are the readily recognizable results of the Ombudsman's efforts. Even more important, however, is the spark of creativity which it gives to and requires of the entire corps of government workers. This on-going interest in the monotonous minutiae assists each worker to see every dull dreary task as a challenge and, no less real, as a possible cause for a complaint to the Ombudsman. The Ombudsman's criticisms apply to all areas of administrative activity: his imaginative study of these problems and his creative suggestions are the prods needed to perfect the controls policing governmental work. This broad arsenal of remonstrative devices has been extremely helpful in preserving human values in governmental bureaucracies.

This Scandinavian concept of reformatory internal action and initiative could well provide us with a practical model which we could adapt to help solve our own administrative problems. Having an agent for the citizenry, inside the bureaucracy itself, would have a salutary effect on all state workers—the merit system employee as well as the patronage jobholder. Such a vibrant catalyst in, say, Jefferson City, Missouri and Springfield, Illinois could be recommended by the newly inaugurated governors who would thus initiate a novel service for their citizens.

DEDICATION OF BIG BEND RESERVOIR IN SOUTH DAKOTA

Mr. MUNDT. Mr. President, on September 15, well-attended and highly appropriate ceremonies were held in South Dakota to dedicate the completion of the Big Bend Reservoir, one of the great Missouri River reservoirs which now comprise what we call "The Great Lakes of South Dakota." These lakes are sec-

ond only in size in this country to the natural Great Lakes stretching from Chicago to Buffalo.

Secretary of State Dean Rusk delivered a highly effective address at the dedication, reviewing the foreign policy pattern of the United States and all pertinent factors relating to our part in the war in Vietnam. His address was warmly received by the more than 4,000 South Dakotans attending the dedication ceremonies.

One of the highlights of the speaking program was an address by an enrolled member of the Sioux Indian Tribe, Mr. Philip S. Byrnes, now holding an off-reservation job in our State Capital Pierre. Mr. Byrnes held the audience spellbound as he delivered a thrilling and most impressive address reviewing early history and how the great Sioux Nation had once lived their lives, fought their wars, shot their buffalo, and made their homes in the attractive Missouri River Valley. Many of them were, in fact, displaced and moved elsewhere as the result of the impounded waters of Big Bend Reservoir.

Mr. President, for the information of Congress and the country, I ask unanimous consent to have printed in the RECORD the complete text of the fine address by Mr. Byrnes.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY PHILIP S. BYRNES

Mr. Secretary, honored guests, fellow citizens of America. It is my privilege and honor to represent the Sioux Nation at this historic occasion.

What's better than a scene of togetherness in our great country today, as we meet here to officially dedicate the completion of the Big Bend Dam.

Four of these large dams cover valuable home land areas of the Sioux country across the State of South Dakota.

In behalf of the Lower Brule and the Crow Creek Sioux, I wish to state that we are proud to have made our contribution in the construction of these important projects that were started by men of vision, for the strength and progress of our country. From where we stand and as we look across this beautiful lake you can see the banks of the Crow Creek Reservation, and the location where we are now, is the Lower Brule Reservation. The Missouri River is the dividing line of these two important Sioux reservations.

In order to understand the existence of the Sioux Indians and the great plains area which constitute their home, an awareness of history must be maintained.

This great river flowed through the heart of the Sioux home for many centuries. The Sioux lived along this river and within its watersheds. From this river, the Sioux Indians received their strength.

On the great plains from which flows the waters that feed the Missouri River there were large herds of buffalo, the life-blood of our forefathers. Within this area the Sioux developed a self-supporting way of life and were in control of the area, and for many centuries enjoyed the abundant life, but progress was not to be denied.

Foreseeable changes were inevitable in this world if progress was to be made. The Sioux defended its way of life as honorably and as bravely as their resources would allow, but their strength was not enough to stop the

encroachment of civilization on its march to the West.

With the passing of the buffalo, our strength and way of life was forever changed. The Sioux found it necessary to make treaties and become part of the Nation of America. We cherish this civilization and, as in the past, will in the future defend with all our strength this country against nations who try to defeat our country and rob us of our freedom and way of life.

It has not been easy for many of the Sioux to change sufficiently to cope with the standards of living which modern civilization demands. However, many have become outstanding personalities in various professions and leaders in the destiny of this Nation.

The values which were lost by the Lower Brule and the Crow Creek Sioux for the flood water of the Big Bend Dam were the rich level flat lands along the Missouri River, the choice and highest priced of all lands in this area. This water front carried also great values to our people in the form of valuable timber. It furnished cover for wild animal life and wild fruit and vegetables were plentiful. From these things our people have been accustomed for generations to get fuel, food and shelter.

The spirit of the Lower Brule and the Crow Creek Sioux is for progress.

The money received for the payment of their losses is being used to develop a cattle economy as a substitute for the native economy that vanished with the buffalo. Small industry has been installed, and with the development of their natural resources, the building of better homes on both reservations.

The most important program is scholarship grants for higher education for the young people. Some of our Indian students have already graduated from college with degrees and are holding responsible jobs in this highly competitive country in which we live. By evaluating the historical background of the Sioux Indians who once roamed and hunted on the Great Plains, enjoying nature's bounty and their own undisputed might, it becomes evident that the Sioux Nation went through a great change and it is a most fitting tribute to them that by treaty agreements we have become one great nation.

Mr. Secretary, it is our hope as you and leaders of our country gather around the council tables of the world, that our message at this time will in some measure be an inspiration to you and will give you a feeling of support from the Sioux people of the Great Plains area.

In behalf of the Sioux Indians, our proper business is improvement. Let our age be the age of improvement. In a day of peace, let us advance the arts of peace and the works of peace. Let our conceptions be enlarged to the circle of our duties. Let us extend our ideas over the whole of the vast field in which we are called to act. Let our object be our country, our whole country, and nothing but our country. And, by the blessing of God, may our country itself become a vast and splendid monument, not of oppression and terror, but of wisdom, of peace, and of liberty, upon which the world may gaze with admiration.

OUR ASIAN ALLIES

Mr. McGEE. Mr. President, the lively interests which Asian nations are showing in taking the initiative for peace and for backing up South Vietnam's fight for independence and sovereignty, and their escalating interest in siding with the United States and South Vietnam, is encouraging.

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Also encouraging is the forthcoming Manila conference. Although it is met with varying degrees of hope, it is indisputably hopeful. Two editorials from yesterday's Washington newspapers, reflect this hope.

That we have Asian allies increasingly willing to step forward and be counted, and to work toward a solution of the problems in the Pacific, is made clearer, too, by the words of Thailand's Foreign Minister, Mr. Thanat Khoman, to the United Nations on Tuesday.

I ask unanimous consent that the two editorials, one published in the Washington Post and the other in the Washington Evening Star of yesterday, and a report from the New York Times on the speech of Thanat Khoman be printed in the RECORD.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Sept. 28, 1966]

MANILA CONFERENCE

The seven-nation conference at Manila, which President Johnson has promptly agreed to attend, is welcome for any contributions that the group can make to peace and stability in South Vietnam. It is welcome, besides, as a product of Asian initiative. And it is to be hoped that it may mark the beginning of a post-war era in which the United States will play a different role than the one which has been imposed upon it during a period of readjustment in Asia.

It is not possible for the United States, as the major power touching on the Pacific, let alone the most powerful country in the world, to avoid entanglement in the problems of the region. It is, by reason of geography, national interest and World War II obligations, a Pacific power. It should not think of itself nor be thought of by other Asian countries as "the" Pacific power. The rising strength and stability of Asian allies can diminish the disproportionate contributions of the United States to the forces making for peace and stability in the region. The Manila meeting is a good sign that Asian friends are ready to rise to a role appropriate to their power and resources in the region. The American contribution, for the foreseeable future, will have to be great. But it ought to be a diminishing one.

President Marcos has given a great impetus to the political impulses of our Pacific friends throughout the region. It is evident that he found Washington receptive to his notions on his recent visit here. No doubt it would be naive to suppose and overly sanguine to expect that Manila will usher in at once a revolutionary transfer of power and responsibility to the collective Pacific countries. This transition can proceed only in conformity with the realities of power in the region. But it is not too much to hope that in this decade we may see the foundations laid for a redistribution of responsibility under which the United States ultimately will not need to act anywhere in the region, except in concert with, in support of, and—for the most part—on the initiative of Asian powers.

That ought to be the long-run objective of American policy—and of the policy of all our Asian allies. May Manila mark a step toward that desirable end.

[From the Washington (D.C.) Star, Sept. 28, 1966]

MEETING IN MANILA

On the face of things, it is difficult to see how the meeting which has been scheduled

for next month in Manila can make much of a contribution toward settling the war in Viet Nam. The same thing is true of the announcement that Pope Paul VI is sending a special mission from the Vatican to Saigon. And for that matter much the same may be said of the peace initiatives which have come from Ambassador Goldberg at the United Nations and from Secretary General U Thant.

Wars are not ended by assembling dignitaries in Manila or in any other place. The first and overriding requirement is a genuine desire to arrive at a settlement. This applies of course to Washington. And it also applies, with particular emphasis in this case, to Saigon, Hanoi, Peking and Moscow. To say the least, the reactions from the last three capitals have not been encouraging.

Nevertheless, since surface appearances can be misleading, it is right, we think, that President Johnson should go to Manila. The inspiration for that meeting apparently came from President Marcos of the Philippines. Other nations which will be represented are South Viet Nam, South Korea, Thailand, Australia and New Zealand. They have a direct and compelling interest in finding a peaceful solution for the troubles in Southeast Asia, for they will be directly under the guns if, for lack of a peaceful settlement, a general war should erupt in the area. Nor can Hanoi and Peking really be entirely indifferent to this prospect, despite their seeming indifference now. For President Marcos was unquestionably right when he said to the United Nations that Asian people are under an "inescapable obligation to devise Asian solutions to Asian problems." This principle, he added, "is at once so just and so indisputably right that Hanoi and Peking will be under a strong moral obligation to relax their hostile attitude."

Wishful thinking? Perhaps so. But having in mind all the straws that have been flying in the wind, especially the lively interest that the Vatican is displaying in the search for a peaceful settlement, it is difficult to believe that the other side is as determined to pursue what for them is now a losing war as the words coming out of Hanoi would indicate. Today's new Viet Cong statement of the conditions which might lead to peace talks is a further hopeful development.

Disappointment may await this hope. If so, there will be no choice for us except to stay in the fight. In this connection, it was right for Defense Secretary McNamara to announce plans for the acquisition of 280 new combat aircraft in the next fiscal year and for the White House to make it known that the next budget will provide added billions for the coming months of conflict. Hanoi should be put on plain notice that an adamant refusal to discuss peace will mean more, not less, punishment in the future.

[From the New York Times, Sept. 28, 1966]

THAI, IN U.N., BACKS THE UNITED STATES AND CRITICIZES THANT'S POSITION—THANAT SAYS COMMUNISTS ARE AGGRESSORS IN VIETNAM AND OPPOSES APPEASEMENT

(By Drew Middleton)

UNITED NATIONS, N.Y., September 27.—Thanat Khoman, Thailand's Foreign Minister declared today that the United Nations and its officials did not have the right to barter South Vietnam's freedom and sovereignty for dubious promises of peace.

That passage and others in Mr. Thanat's address to the General Assembly were widely interpreted as attacking Secretary General Thant's three-step program for peace. The Foreign Minister asserted that events had shown that neither the United Nations nor Mr. Thant could do much, if anything, to achieve a peaceful solution in Southeast Asia.

Nor did the Thai leader join the almost universal chorus demanding that Mr. Thanat remain in office, a chorus in which both the United States and the Soviet Union have joined. The Secretary General, he noted had been forced to adopt "a totally despondent posture" as a result of the failure of his peace efforts.

DEMANDS CONCESSIONS

Mr. Thanat's was an Asian voice that forcefully rejected any peace proposals that rewarded what he termed aggression and failed to extract concessions from North Vietnam and Communist doctrines "born in the dark and sordid recesses of European ghettos."

The speech marked, in the words of one distinguished West European delegate, the first time in this session that a pro-Western Asian "has spoken clearly against any attempt at appeasement" of the Communists.

Mr. Thanat's comments troubled many delegates from the smaller powers. His frank intransigence worried those who believed that something was stirring among the Asian Communist powers and that the smallest changes in the United States position would lead to the start of peace negotiations.

Mr. Thanat's denunciation of any appeasement of the Communists shocked what has been called by Western diplomats the "peace at any price" group among the delegations and senior members of the United Nations Secretariat.

That group has accepted the Secretary General's three-step program and his own authority as the keys to peace. It also strongly favors Communist China's entry into the United Nations as one means toward peace in Asia.

CHALLENGE TO PEKING

Paul Hasluck, Australia's Minister for External Affairs, took an aggressive line on that question in his speech to the General Assembly. He challenged Peking to give at least a sign that it would obey the Charter of the United Nations if entry were granted.

"China asks the United Nations to change," he said. "Is China not to make any change itself to fit into the United Nations?"

Recognition of Communist China and its admission to the United Nations will not solve the larger problems of relations with that country, Mr. Hasluck warned. He told advocates of admission not to oversimplify the China issue by "seeing it simply in terms of recognition or of admission to the United Nations."

Mr. Thanat was highly critical of Mr. Thanat's three steps for a settlement in Vietnam. The first calls for cessation of American bombing of North Vietnam.

Everyone seems to have forgotten, the Thai Minister said, that bombing has been halted twice in the past without worthwhile results. On the contrary, he declared, it gave the Communists the opportunity to gather strength for an intensification of the war.

SEES ONE-SIDED APPROACH

Perhaps alluding to President de Gaulle, Mr. Thanat said that others had advocated the withdrawal of American forces from South Vietnam without mentioning North Vietnamese forces. The French President proposed American withdrawal in a speech at Phnompenh, Cambodia, early this month.

"As any impartial observer may notice," Mr. Thanat said, "many if not all the solutions so far advanced by one party or another tend to favor the side which instigated the war for the purpose of placing South Vietnam under its control."

Apparently with Cambodia in mind, Mr. Thanat warned that short-sighted views on the term for peace might pave the way for the destruction of those who hold them.

Prince Norodom Sihanouk, the Cambodian chief of state, has generally supported President de Gaulle's position on the war.

Mr. Thanat conceded that the proposal for an Asian peace conference, backed by his own country, the Philippines and Malaysia, had failed to evoke a positive response from North Vietnam or Communist China.

That, he said, shows that one side favors a peaceful settlement, while "the other has so far rejected every move towards a peaceful settlement."

It is the aggressors, the Thai leader declared, who cling to the idea of a military solution in Vietnam while the United States and its allies seek a negotiated peace. It is the Communists, he said, who proclaim that the war is "a holy war of national liberation."

GOOD NEWS ABOUT PROJECT HEADSTART

Mr. RIBICOFF. Mr. President, Project Headstart, the Federal preschool program for needy children, has gotten off to a running start.

We have long known that the children of the poor need help in many ways. All over the country concerned people have eagerly awaited an analysis of the first results of Headstart to see if the program can help young children acquire the basis they need for the years of education to follow.

Now, in Hartford, Conn., the first series of tests has been completed. Many aspects of the tests scores are encouraging—some are even spectacular—and all are of interest in planning for our young people's education in the world of tomorrow.

Mr. President, I ask unanimous consent that an article entitled "Headstart Youngsters Show Remarkable IQ Improvement," which appeared in the Hartford Courant on September 14, 1966, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEADSTART YOUNGSTERS SHOW REMARKABLE IQ IMPROVEMENT (By John Lacy)

The first test results in Hartford's preschool child development program reveal "a remarkable increase" in the performance of many children.

A year ago, seven of the four-year-olds tested had intelligence quotient (IQ) scores above 110 and the highest was 118. After nine months in the program, 21 children scored over 110 and five of them were above 130.

Also, many language difficulties were erased.

"I'm really delighted," said Mrs. Jeraldine Withycombe, director of the federally sponsored "Head Start" program designed to help children in the city's poverty areas. "It's beyond what we thought we could do."

"We're encouraged," said Dr. John Cawley, head of the University of Connecticut Department of Special Education, who directed the testing and who reported the preliminary results to Mrs. Withycombe.

"COME THROUGH"

"This does not mean," Cawley said, "that the children 'got smarter,' but it is more likely that the pre-school program provided them with the experimental background and sophistication which enabled them to 'come through.'"

He found improvement also in children's ability with language.

"It seems we have intervened with a regression tendency—that is, a tendency for the children to fall further behind—while, at the same time, the language deficit of many children has been overcome," Cawley said.

After nine months in the program, three times as many pre-schoolers showed a level of intellectual ability that could lead them to education beyond high school.

Last September 30 of those tested had IQ scores below 75. But in May only 10 fell below the mark.

"In spite of the fact that many children showed a remarkable increase in their performance," Cawley said, "there are some who did not derive as much benefit."

Three kinds of tests were used with 140 to 150 children from five pre-school centers in all corners of the city. The tests measured general intellectual ability, language development and motor perception and motor behavior as well as social awareness.

RESULTS INCOMPLETE

The results are incomplete. Cawley said, but he added: "I'm sure that we've gotten real good stuff."

He said he knows of nowhere else in the country that children received such "a massive battery of tests."

"There are some tremendous individual differences," he said.

For example, he said, one child whose performance last September was "average" would be called "gifted" today.

"In some instances, the scores of kids almost doubled," and still these children were below normal, said Cawley. "This gives you some idea of the deficit they have."

On a task-performance test, some of the pre-schoolers scored "well above the seven-year level," he said. "That's quite a behavior level for these kids."

The child development program financed mostly by federal funds through the Community Renewal Team, schooled 700 children last year under the direction of Mrs. Withycombe and the Hartford Board of Education.

MILWAUKEE JOURNAL CITES NEED FOR COMPETITIVE BIDDING

Mr. PROXMIRE. Mr. President, a bill which would undermine a recent Defense Department decision to seek competitive bids for its overseas shipping is pending before the Senate. As I have said before, if this bill is called up for a vote, I intend to debate it thoroughly and in extreme detail because of the mischief it would do to sound, economic shipping policy.

The Milwaukee Journal recognizes this proposal for what it is, "blatant special interest legislation with the very purpose to discriminate against lake ports."

The Journal is absolutely right. Since the St. Lawrence Seaway opened, the Great Lakes ports have had to face the power of coastal shipping conferences in attempting to get a rightful share of Government shipping. This discrimination has cost the Government and taxpayer millions of dollars because negotiated freight charges are designed to keep even the most inefficient ship companies solvent at the expense of more progressive and economical Great Lakes shipping facilities.

I ask unanimous consent that the editorial from the September 27 issue of the

Milwaukee Journal be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LAKE PORTS PENALIZED

The port of Milwaukee has had to struggle ever since the seaway opened to procure the share of government shipments that would most economically and efficiently move abroad through lake ports instead of coastal ones.

One hope of progress lies in the recent decision of the defense department to avoid its overseas shipments by competitive bidding, instead of negotiating rates with conferences of American flag lines as in the past. These conferences are dominated by coastal shippers who have pretty well seen to it that the lakes don't get the business.

The department is strongly supported in this new policy by congress' joint economic subcommittee on procurement, with a sizable cut in the department's annual \$400 million shipping bill as reason enough. But now Sen. PROXMIER (D-Wis.) sounds the alert against a sly move to rule out this use of competitive bidding by law.

A bill has been quickly introduced and quickly maneuvered onto the senate floor for action, he reports, that would direct the department to resume and perpetuate the old conference negotiation method of placing its shipments. This can make no pretense of being anything except blatant special interest legislation, with the very purpose to discriminate against lake ports.

PROXMIER has warned the majority leader that if the bill should be called up for passage it would "require extensive and exhaustive debate" to make sure of killing it—translate filibuster—and that he will have some cohorts if needed. Not only lake ports but all taxpayers should hope he succeeds.

TLINGIT AND HAIDA CASE MOVES ANOTHER STEP

Mr. BARTLETT. Mr. President, on September 12, Commissioner Saul Rich and Gamer, of the Court of Claims, filed a report on the proceedings before him as to the amount of recovery to which the Tlingit and Haida Indians of Alaska are entitled for lands taken from them in southeast Alaska by the United States.

The record for these proceedings is more than 50,000 pages long. The briefs of counsel covered more than a thousand pages. Mr. Gamer's findings, numbering 327, cover 192 pages.

Commissioner Gamer has had a difficult task. It was his job to determine the value of virtually all of southeastern Alaska, including timber, minerals, fisheries and other resources, to which the Tlingit and Haida Indians have claimed aboriginal or original Indian title. Although the original Court of Claims decision, that the Tlingit and Haida Indians are entitled to recovery, was handed down in October of 1959, it is understandable it has taken until now to make the evaluation which was reserved for further proceedings when the initial decision was made.

But this is not the end of this case. Commissioner Gamer's report is only a series of factual findings. There will now be exceptions and answers filed by counsel on both sides. This will be followed by the filing of legal briefs. Finally, there will be oral argument by

the Government and Indian attorneys before the five-member Court of Claims sitting en banc.

It will not surprise anyone familiar with Court of Claims procedure if another year goes by before a final decision is reached by the court.

Commissioner Gamer made several findings of particular interest to those who have been following this case. The first of these is finding No. 316 which is a summary of the fair market value for the lands claimed by the Tlingits and Haidas and damages for the minerals, fisheries, and timber removed from the lands and waters prior to the taking:

In summary, the fair market value of plaintiffs' lands and waters, and their resources, taken by defendant, comprising all the areas the parties have designated as areas 1-6, was, as of the several taking dates, \$14,034,953.80. Damages for the value of the minerals, timber and fisheries taken from plaintiffs' lands and waters prior to such several taking dates of areas 1-5, and which would represent compensation to plaintiffs for the exploitation of such lands and waters during such pretaking periods, totaled \$1,547,205. As to area 6, such damages resulting from such exploitation prior to June 19, 1935, of unpatented lands (or lands prior to their having been patented), and from the exploitation of the fisheries of the area, totaled \$352,210.

The total of such amounts is \$15,934,368.80.

The second is finding 327 which is a summary of the value to the Indians reads as follows:

In summary, on the basis of the evidence, the exploitable value to plaintiffs of their lands, waters, and resources, i.e., the amount the Tlingit and Haida Indians could reasonably have realized had they continued to exercise full and complete possession and control of those lands and waters of southwest Alaska which were taken from them as delineated in the previous proceedings, was \$1,287,200, as follows:

Placer gold fields.....	\$100,000
Salmon fisheries.....	1,000,000
Halibut and herring fisheries....	187,200
Total	1,287,200

The claimants, the Tlingit and Haida Indians of Alaska, argue that they should be compensated in the amount of the fair market value of the land at the time of the taking.

The Government on the other hand argues that the Tlingits and Haidas should be compensated only on the "value to the Indians" basis. This is commonly known as the value of nuts and berries.

It will be up to the court to determine which basis applies to the Tlingit and Haida case.

Mr. President we all look forward to the conclusion of this case. It has been more than 30 years since the Congress enacted the first Tlingit and Haida Jurisdictional Act. All Alaskans, especially the Tlingits and Haidas will welcome the final decision of the court.

THE MOTION PICTURE INDUSTRY'S CODE

Mr. JACKSON. Mr. President, recently a number of my colleagues in both the Senate and the House submitted for

the RECORD the wise and significant action by the Motion Picture Association of America in revising its code of self-regulation for the film production industry.

I would like to add my congratulations to Mr. Jack Valenti, the new president of the MPA, on this important step forward.

Mrs. Jackson and I are enthusiastic moviegoers, and, as parents, we are now—and will be increasingly more so as our small children grow older—interested in what is offered on the movie screens. We welcome the movie industry's statement that it will attempt to better inform the public, particularly parents, of the contents of its films.

I have always felt that the wisest course in film regulation is self-administration rather than any statutory censorship.

I am looking forward to an effective, meaningful administration of the industry's new code, and I welcome all Americans to take advantage of the material offered by the industry so that it will be better informed as to the content and the taste of movies they see or that they permit their children to see.

RACIAL TENSION IN THE UNITED STATES

Mr. McGEE. Mr. President, as one who has long felt the necessity for equal civil rights among all our people, and who has voted that way, I have become increasingly concerned of late with the rising tension in our population—the tension between white and black. There is, as the president of the Brotherhood of Sleeping Car Porters, Mr. A. Philip Randolph, warned recently, a growing tension which could "escalate into a race war in this Nation which could become catastrophic to the Negro and to America."

Mr. Randolph, in addressing the United Steelworkers of America in convention at Atlantic City, called for a curtailment of demonstrations which inflame the passions of those on both sides of the rift which, unfortunately, separates a goodly number of Americans. Increasing militancy on one side breeds militancy on the other, I fear, and gives rise to what is commonly called a backlash in the white community. It may, as it has, I think, reflect itself at election time. But it also is reflected in recent racial disturbances in northern cities such as Chicago and Cleveland.

I do not ask, Mr. President, that American Negroes give up their demands for equality in this land. Nor do those responsible Negro leaders who are asking for caution, I am sure. But I think it is imperative that the more militant spokesmen and leaders of the movement realize the necessity of proceeding in orderly fashion, that they eschew lawless activity endangering lives and property and pay heed to the suggestions, not that they end all demonstrations but that they deescalate the confrontation which it appears, is building up at this time.

What we ask of the civil rights organizations and what we ask of the American Negro should be asked no less firmly

of those who oppose them. Whites, too, whether North or South, or East or West, must ease off. Reason, not fear, is the only way to deal with the question of race relations in America. The alternative to reason could well be disaster for both black and white, and for all other Americans as well.

METHODS TO IMPROVE MOTORCYCLE SAFETY

Mr. HARTKE. Mr. President, the Senate will soon be asked to confirm the nomination of Mr. William Haddon to be Traffic Safety Administrator in carrying out the provisions of Public Law 89-563. The responsibilities assigned to the new National Traffic Safety Agency, whose concept I have supported throughout the consideration of the administration bill and even before in the earlier Hartke-Mackay bill, include the questions surrounding not only automobiles and truck safety but also motorcyclists.

This, as I have pointed out before, is a growing problem because of the rapid spread of motorcycles in the last 2 or 3 years as a mode of transportation. It is one to which I am sure Mr. Haddon and his staff will be giving earnest attention in the near future.

On July 14 I discussed at some length in the Senate the question of motorcycle safety, pointing out both the increasing prevalence of the problem and the lack, with few exceptions, of State regulations to deal with it. The increase in motorcycles on our highways doubled between 1962 and 1963, increased again by 50 percent in 1964, and once more doubled in 1965, when nearly 400,000 additional motorcycles were registered for a total of 1,365,000.

Subsequent to that speech I was happy to learn that this has been a concern for at least some months to the Division of Accident Prevention in the Bureau of State Services of the Health, Education, and Welfare Department. Dr. Paul Joliet, who was one of the witnesses before the Commerce Committee during our traffic safety hearings, wrote to me outlining the work the Division of Accident Prevention has done in approaching the motorcycle hazard problem. Together with his letter he enclosed a background paper prepared for distribution to persons interested in the problem, and noted that it will provide the basis for a booklet planned to promote safety helmets and safe motorcycling practices.

Dr. Joliet also furnished a copy of a report on a meeting held April 7 in Washington, attended by representatives of a dozen national organizations and several State organizations, which centered largely on planning for safety education in the use of motorcycles. I presume that this report would be available on request to persons who have a specific interest in the motorcycle problem.

Mr. President, I ask unanimous consent that the letter from Dr. Joliet and the background paper, which summarizes what information is available on

the motorcycle hazard situation, be printed in the RECORD.

There being no objection, the letter and summary were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE,
Arlington, Va., August 9, 1966.

HON. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: Please accept my compliments on your thorough and well documented statement on the motorcycle accident problem which appeared in the July 14, 1966 issue of the CONGRESSIONAL RECORD. While deaths and injuries resulting from motorcycle accidents have increased substantially during the past several years, the full impact of the problem is yet to be felt in this country. Your interest and the interest of other Congressional leaders undoubtedly will greatly accelerate motorcycle injury prevention activities by public and private agencies.

As you will recall, you questioned me about the motorcycle problem during hearings on S. 3005. For your information, I would like to briefly summarize some of the developments since then.

On April 7th, the Division of Accident Prevention sponsored an exploratory meeting on motorcycle safety education. Representatives of 12 national and several State organizations participated. While the discussions revealed the almost complete lack of safety education materials, it did lay the groundwork from which the needed materials may be developed. A summary of the meeting is enclosed.

In cooperation with the Motorcycle, Scooter and Allied Trades Association, a TV spot announcement, in color, promoting the use of safety helmets by motorcyclists was prepared and distributed to 350 TV stations throughout the country.

At our urging, the Motorcycle, Scooter and Allied Trades Association has formed a Safety Advisory Committee composed of representatives of a number of national safety organizations. This Advisory Committee through the Association will recommend to the motorcycle industry appropriate accident prevention activities which should be undertaken. The first meeting of the Advisory Committee will be held in Washington on August 12. The Division of Accident Prevention will be represented on this committee.

Enclosed is a background paper entitled "The Motorcycle in the United States . . . Its Popularity, Accidents, and Injury Control." This paper soon will be distributed to health and medical personnel and others interested in this problem. It will also provide the basic information for a small booklet promoting the use of safety helmets and safe motorcycling practices. This booklet will be produced later this year. In addition, we have drafted, and will distribute, a bibliography on motorcycling and motorcycle safety.

The Division has developed a modest exhibit promoting the use of safety helmets that has been used at the Kansas State Public Health Association Meeting. It has been requested for use at State Fairs in Kansas and Virginia during September. We are planning a more elaborate exhibit for use at national meetings which will stress a comprehensive approach to the motorcycle problem. It will emphasize protective helmets, goggles, and clothing, special driver licensing, training, education and vehicle inspection. The first commitment for this exhibit is during January 1967 at the New York Bank for Savings, New York City.

While we are not satisfied with the small amount of manpower and finances we are

able to devote to this increasing problem, we do feel that it represents a base from which an expanded program can be developed when additional resources become available.

Sincerely yours,
PAUL V. JOLIET, M.D.,
Chief, Division of Accident Prevention.

THE MOTORCYCLE IN THE UNITED STATES: ITS POPULARITY, ACCIDENTS, AND INJURY CONTROL

Definition: The Uniform Vehicle Code defines a motorcycle as "every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, but excluding tractors." This definition would include motorcycles with sidecars, motor-scooters, motorbikes, motorized tricycles and other vehicles of a similar nature.

Growth of motorcycling: The current growth in motorcycling actually started in 1955 when the number of motorcycles registered in this country began to increase rather than decline. Exhibit A shows the total registrations in this country from 1955 to 1965. Since 1960, when a total of 574,080 motorcycles were registered, the annual increase in registrations has almost doubled the increase of the previous year. By the end of 1965, total registrations had reached 1,380,726. During 1966 more than one-half million more motorcycles will be added to this number. By 1970, the annual increase in new registrations is expected to reach one million per year. Exhibit B shows registrations by State for the past five years. These numbers do not include the many trail and racing machines which are used exclusively off-the-road and therefore are not required to be registered.

Because of the low initial cost and economy of operation, lightweight motorcycles will comprise an increasingly significant portion of the total number of motor vehicles in this country.

Deaths: In 1964 there were 1,118 deaths from motorcycle accidents—a rate of 0.6 deaths per 100,000 population. This is the highest recorded number of deaths since 1949 (1,103), the first year in which deaths from motorcycles were tabulated separately. Exhibit C shows the number of deaths, the population death rate and the death rate per 100,000 registered motorcycles in the United States from 1955 to 1964. It is estimated that deaths from motorcycle accidents exceeded 1,500 during 1965. Studies in other countries show that up to 90 percent of the motorcycle fatalities are caused by injuries to the head.

Since there is a fairly consistent relationship between the number of motorcycle registrations and the number of deaths to riders and passengers of these vehicles, we can anticipate increased numbers of deaths for motorcycle riders and passengers during the years immediately ahead.

Death rates per 100,000 registered motorcycles are more than double the rates for other motor vehicles. No data are available on the mileage death rate for motorcycles which could be compared with the mileage death rate for other motor vehicles. Because of the limitations upon use of motorcycles during winter months in most parts of the country, it is likely that a mileage death rate would show a greater risk of death inherent in the type of vehicle used than was shown by the comparison of deaths per hundred thousand registered vehicles.

Sex: Most of the deaths were to males—the ratio of male to female deaths is about 9 to 1.

Age: While motorcycle deaths occur to persons of all ages, the highest rates are found in three (3) age groups: 15-19, 20-24, 25-29.

Injuries: Information on injuries to riders of motorcycles is limited in this country.

Based on the death-injury ratio found in a 1962 study of motorcycle accidents in New York State, it is estimated that about 43,000 persons throughout the nation were injured during 1964. During 1965, it is likely that this number exceeded 60,000.

Statistics from several States indicate that about 90 percent of all motorcycle accidents result in some type of injury to the rider.

From other countries information indicates that the head is a vulnerable part of the body in regard to fatal injury in motorcycle accidents. These studies point out that many persons also receive multiple injuries. However, of all persons injured in motorcycle accidents, 50 percent or more receive some type of injury to the head. The lower extremities are another source of frequent injury, but injuries to the lower extremities are less likely to have fatal results than are head injuries.

Type of accident: The largest number of deaths were those involving a collision in traffic with another motor vehicle (62 percent). The only other large category was non-collision traffic accident (32 percent). This category includes accidents such as overturning or running off the roadway.

Causative factors: There is evidence that motorcycle riders are killed and injured in accidents because (1) many new riders lack adequate training and experience in controlling their vehicles; (2) riders have not been well enough informed of the inherent dangers of riding motorcycles and are unprepared to overcome the hazardous traffic situations which lead to accidents, injuries, and deaths; and (3) pedestrians or operators of other types of motor vehicles are not properly prepared to recognize and solve traffic problems involving motorcycles, and some refuse to share the roadway with motorcycle riders creating potential accident situations.

Studies in Europe indicate that motorcyclists have accidents more than twice as often during the first six months of riding experience than they do after gaining six months experience. These studies also show that riders of large motorcycles have more accidents than riders of small motorcycles.

A serious factor contributing to death and injury in these accidents is that many riders are uninformed about the value of protective clothing, helmets, goggles and safety features of the vehicles and are not convinced that the protective features are of value to motorcycle riders.

Driver licensing: Only the States of New York, New Jersey, Oregon, Maine and Hawaii require special tests and special driver licenses for motorcyclists. Vermont and Delaware recently enacted legislation requiring special licenses, but these laws have not been implemented. Members of the American Association of Motor Vehicle Administrators who are responsible for driver licensing are attempting to develop effective guidelines for testing and licensing of motorcycle operators. Representatives of Region I (North-eastern United States and Canada) of the Association met in April 1966 to outline recommendations for written and road tests for motorcyclists. These recommendations along with others will be acted upon at the National Conference of the Association during September 1966. At the same time, a premier showing of the Association's film on driver license road testing techniques will be held.

Education and training: Few materials are currently available for use in education and training programs for motorcyclists. Only in isolated cases have training programs at the community level been held. Representatives of 12 National and several State organizations, meeting at the invitation of the

Division of Accident Prevention, Public Health Service, recommended that appropriate educational materials be developed for use in high school driver education courses, driver education teacher-preparatory courses at the college level, and in commercial driver training programs.

Safety helmets: Safety helmets are the most effective devices presently available for reducing the severity of injury to motorcyclists. Nonetheless, Georgia is the only State which requires motorcyclists to wear safety helmets. During July 1966, Michigan enacted such legislation but it has not become effective. During 1965, such legislation was introduced but not enacted in Alabama, California, Massachusetts, Oregon, Pennsylvania, Rhode Island and Wisconsin. Helmet used by military and civilian motorcyclists has been required in U.S. Air Force bases for several years. Several cities require that motorcyclists wear helmets.

Safety helmet standards: Standards for safety helmets have been developed by the British Standards Institute and by the Snell Memorial Foundation (California). New standards prepared by the American Standards Association were released on August 1, 1966. All major domestic and foreign helmet manufacturers are expected to produce and certify helmets meeting the ASA Standard. The American Motorcycle Association approves helmets for use in racing only.

Other protective equipment: Other protective or safety equipment available to motorcyclists includes goggles and face shields; various leather apparel, such as boots, jackets, puttees, gloves and trousers; as well as features of the motorcycle such as crash bars, cowlings, and windshields.

(Prepared by Division of Accident Prevention, Public Health Service, Department of Health, Education, and Welfare, Washington, D.C.)

EXHIBIT A

Motorcycle registration in the United States

	Private and commercial owned	Publicly owned	Total	Increase		Private and commercial owned	Publicly owned	Total	Increase
1965	1,364,372	16,354	1,380,726	395,966	1959	548,030	13,280	565,352	44,020
1964	969,839	14,921	984,760	198,442	1958	508,329	13,003	521,332	52,516
1963	771,572	14,746	786,318	125,918	1957	456,534	12,282	468,816	37,322
1962	646,102	14,298	660,400	64,731	1956	419,832	11,662	431,494	19,117
1961	581,670	13,999	595,669	21,589	1955	401,390	10,987	412,377	7,605
1960	560,193	13,887	574,080	8,728					

Source: Highway Statistics, Bureau of Public Roads.

EXHIBIT B

Motorcycle registrations in the United States, by State

	1965	1964	1963	1962	1961		1965	1964	1963	1962	1961
1. Alabama	21,903	15,624	12,465	11,179	11,404	28. Nebraska	12,980	7,975	6,485	5,893	5,489
2. Alaska	3,080	1,249	1,145	1,047	1,030	29. Nevada	7,776	5,981	5,577	4,375	3,660
3. Arizona	14,419	13,289	12,964	11,645	9,839	30. New Hampshire	5,844	3,817	2,890	2,440	2,181
4. Arkansas	9,480	7,175	6,479	6,037	5,267	31. New Jersey	29,530	19,472	14,914	13,516	12,376
5. California	268,185	210,057	153,199	106,322	87,386	32. New Mexico	9,290	7,822	6,917	6,610	7,500
6. Colorado	21,507	16,677	14,832	12,990	11,550	33. New York	44,852	24,451	18,980	16,869	15,757
7. Connecticut	12,969	9,484	5,911	5,762	5,787	34. North Carolina	18,098	9,178	6,949	6,811	6,345
8. Delaware	2,820	1,646	1,284	1,016	953	35. North Dakota	5,835	4,128	2,781	1,976	1,719
9. District of Columbia	2,005	1,448	1,170	1,021	911	36. Ohio	71,442	48,111	41,532	37,966	36,351
10. Florida	46,372	38,800	36,505	34,024	31,442	37. Oklahoma	22,262	17,075	15,077	13,782	13,233
11. Georgia	19,127	13,642	11,695	10,508	10,629	38. Oregon	33,661	29,623	21,679	13,194	8,275
12. Hawaii	9,827	7,270	5,593	4,238	4,081	39. Pennsylvania	72,580	47,164	36,004	32,029	29,743
13. Idaho	16,024	10,730	7,668	5,641	4,088	40. Rhode Island	5,738	4,545	3,470	2,460	2,002
14. Illinois	56,394	37,082	30,128	27,091	25,611	41. South Carolina	9,786	5,535	3,948	4,743	4,771
15. Indiana	43,528	30,167	25,140	21,864	19,198	42. South Dakota	7,441	4,761	3,678	3,044	2,757
16. Iowa	25,778	17,141	13,662	12,552	11,684	43. Tennessee	18,699	13,724	13,310	12,935	11,518
17. Kansas	21,881	16,112	13,822	12,669	11,512	44. Texas	60,381	50,116	47,591	46,722	46,314
18. Kentucky	15,286	10,030	8,430	7,392	7,014	45. Utah	11,979	10,040	8,586	6,347	4,519
19. Louisiana	12,013	10,141	8,706	8,001	7,739	46. Vermont	3,456	2,356	1,709	1,463	1,325
20. Maine	5,034	2,615	2,093	1,948	1,869	47. Virginia	13,732	7,886	6,855	6,738	6,485
21. Maryland	11,620	6,815	4,895	4,666	4,471	48. Washington	44,358	30,301	19,442	12,781	9,588
22. Massachusetts	30,842	23,229	17,702	13,740	12,513	49. West Virginia	9,336	6,213	5,643	4,041	3,880
23. Michigan	65,668	39,763	31,819	29,638	28,216	50. Wisconsin	33,236	19,576	15,003	13,582	12,979
24. Minnesota	40,002	28,324	18,282	14,900	13,071	51. Wyoming	5,104	3,952	3,293	2,741	2,162
25. Mississippi	6,995	4,691	4,478	3,983	3,944						
26. Missouri	28,339	18,207	14,269	12,592	10,352						
27. Montana	12,112	9,550	7,549	4,927	3,179						
						Total	1,380,726	984,760	786,318	660,400	595,669

EXHIBIT C

Deaths from motorcycle accidents in the United States

	Deaths	Death rate per 100,000 population	Death rate per 100,000 motorcycles
1964	1,118	0.6	113.5
1963	882	.5	112.2
1962	759	.4	114.9
1961	697	.4	117.0
1960	730	.4	128.1
1959	752	.4	133.0
1958	653	.4	125.3
1957	754	.4	160.8
1956	658	.4	152.5
1955	616	.4	149.4

THE PROBLEMS OF INCOMING COLLEGE FRESHMEN

Mr. KENNEDY of New York. Mr. President, in 1966, 6,055,000 students entered colleges throughout the country. Unfortunately, only about half of these students will graduate in 1970. Many of them will leave college, not because they lack the intellectual capacity to succeed there, but because they were not prepared for and failed to adjust to the rigors of college life.

More attention must be paid to the problems faced by incoming college freshmen. More administrators and academicians must take the time to make sure that those who enter our universities understand the value of an education and grasp the processes by which an education is obtained.

In this regard, I was very pleased to read a series of articles entitled "Coping With College" that was recently written by Dean Stanley Idzerda of Wesleyan University, and published by Newspaper Enterprise Association. Dean Idzerda, in what may be termed a short primer for college freshmen, has articulated and then cogently answered many of the questions with which every boy and girl on our country's numerous campuses must deal. Succinctly he advises every student to be prepared for and to revel in the challenges of becoming the truly educated man.

I ask unanimous consent that this worthwhile series of articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COPING WITH COLLEGE: MEMO TO THE CAMPUS-BOUND

(By Stanley J. Idzerda, dean of the college, Wesleyan University)

ABOUT THE AUTHOR

(Stanley J. Idzerda, the father of seven, has a long-standing awareness and involvement in the problems of youth.

(Appointed dean of the College of Wesleyan University, Middletown, Conn., in 1965, Idzerda, 46, began his career as an assistant professor of history at Western Michigan University. He later went to Michigan State University and in 1957 became first director of the MSU Honors College.

(Dean Idzerda and Michigan State pioneered the Honors College concept in order to provide highly qualified students an educational environment offering the maximum freedom and challenge.

(At Wesleyan, Dean Idzerda works closely with undergraduates. He is also adjunct professor of history and conducts a seminar in French history.

(Dean Idzerda is a contributor to various learned journals, writing on history, aesthetics and on the gifted student's role in higher education.)

Well, you've made it. A college has accepted you.

A year or more of strain, tests and intensive body English has paid off. Now, you're campus-bound.

It may seem unfair, but it will be wise to jolt your feeling of euphoria right now.

Your problems have only begun. You have four years in which to make a success of your college experience—and it won't be easy.

Fully 50 per cent of incoming freshmen find it so difficult that they drop out before graduation. Keep in mind that all of them have the intellectual potential for the job; otherwise they would never have been admitted to college.

To succeed in any job, it is well to understand what the job is and why it needs to be done. What is the purpose of investing four years in college?

Too many incoming college students have a very inadequate idea of why they are there or what they are to do. As a result of this confusion, they fail.

Others fail to obtain an education even though they complete four years and have a diploma to document the time invested. They have gone through the motions, but have avoided the real college experience.

Here is a checklist of things that a college education is not:

College is not merely the "thing to do." If you want to do an "in" thing, take up polo. It would be cheaper and it would not involve any of the self-deception entailed in fending off education.

College is not a passport to upper-middle class suburbia. Students—egged on by parents—who see education in terms of prestige and status, are misled. The "prestige" of a college graduate will never match the value of true college education.

Nor, to tighten the focus, is a college education merely a process of advanced vocational training. Anyone who goes to college solely to be accredited as a doctor, lawyer, or business chief has missed the essential point of the whole experience.

I also take the view that four years of college is not merely fun and games. Most students are all too resourceful in availing themselves of social possibilities of college life. (More power to them.) But the fun is not to be confused with the real function of education.

Just what is the real function of education? To me, the great purpose of a college education is fulfilling our species' billing—that we are homo sapiens, thinking men.

Philosopher—and college professor—Henri Bergson once suggested that everyone should begin with a simple and noble purpose, to know everything. That is the perfect objective for a college student.

College should stretch the mind and spirit. The four years should serve as a laboratory for self-discovery. Guided by the discoveries—and blind alleys—of science and our humanistic tradition, each student should chip thousands of new facets on himself.

The student may come out of the four years with at least preliminary training to be a doctor or an engineer. But, more to the point, he will also have taken long steps toward being a fully realized adult.

But merely urging intellectual stimulation and growth is not very specific. What should we study? Every student's education, I believe, should be built around four questions:

1. What is God? By 17 or 18, it is time that a student realizes that man has always sought some relationship with the Other. Consideration of theology will have no direct effect in making the student more moral. But the study of the nature and attributes of what men have called God will be a path to wisdom.

2. What is man? What am I? What is my fellow man—in Tierra del Fuego, in Japan or down the street? These questions include all the social sciences, the life sciences and philosophy.

3. What is nature? The disciplines involved in this study are all the sciences, physical and biological, experimental and theoretical.

4. What are the relationships of God, man and nature?

Ascribing overriding importance to these questions may seem a trifle solemn. It really shouldn't. Attainment of our potential should actually be a great joy—beyond pleasure.

Aristotle said that the desire for wisdom began with "wonder." He was only half right. The long term pursuit of wisdom also ends with wonder. Learning in college how to pursue wisdom opens a life full of wonder. And is the only kind worth living.

COPING WITH COLLEGE: ORGANIZING THAT NEW LIFE AWAY FROM HOME

(By Stanley J. Idzerda, dean of the college, Wesleyan University)

One of the most significant aspects of a college education is that it very often means a change of scene for the student. The old neighborhood and the old gang are gone.

Direct reliance upon—or rebellion against—mother and dad are no longer possible.

This is a consummation long and devoutly hoped by most high school students. Getting away seems to represent a breakthrough into life.

But many young men and women begin to have second thoughts as they near time to leave. Having impatiently awaited the adult status of a college student, they tend to hold back as time grows short. They worry about "the unknown."

Once arrived on campus, they are relieved by the appearance of old friends who have come to the same college. Even casual acquaintances assume a new importance.

While the reaction is natural, conditioning against it is wise. A college education presupposes change, challenge, ferment. There certainly is no reason to cling desperately to every scrap of remembered past.

A surprising number of new students come down with full-fledged cases of homesickness during the first semester. Brothers and sisters are, suddenly, remembered as being quite human. There is even some appreciation of parents.

No matter how they aspired to get away while back in high school, some freshmen discover a homing instinct. If distances and finances make it at all practical, they make a direct line for home every weekend.

It is not necessarily a good idea. Dashing back every weekend weakens the commitment and immersion the student should feel in his new life at college. A good rule is to stay on campus during the fall of freshman year at least until Thanksgiving.

The material requirements for making a go of campus life are not high. As the new student prepares to head for college, he should plan to "travel light." There is no need to bring an entire wardrobe and all books, records and athletic equipment.

Having this well-loved gear at hand may have a tranquilizing effect. But it really is not needed. Dress on most campuses is extremely informal.

A second general rule is: "Live inexpensively." College students are not generally impressed by the big spender. Certainly their friendship is not bought.

Many students have no choice but to "live inexpensively." At least 25 per cent of all college students must work 10 or more hours a week to keep up with their expenses. They have neither the time, the inclination nor the resources for the local equivalent of the vita dolce.

Work, on the current campus scene, is customary and fully accepted. There is no stigma connected with taking, say, a job in the college bursar's office or going to work in town.

A third general principle is: "Be tolerant." This should guide the new student in his relations with all those with whom he has contact. An inability or unwillingness to understand or ride along with minor foibles encountered among students or faculty can only make adapting to the college environment more difficult.

Tolerance is most important in dealing with the new individual with whom you share the toothbrush rack, your roommate. The simple facts are that living and collaborating with one another require mutual consideration, mutual regard and mutual support.

The experience of getting along with a roommate is of genuine importance. It enlarges the student's capacity not only to see another person's point-of-view, but to learn from and even share some of it.

One problem that can be intensified by new surroundings is illness. It is no fun to be sick under the best of circumstances. Being sick and stuck in a college infirmary is a good deal worse. Perhaps it's the time a full appreciation of parents is realized. But this is conditioning for life, too.

Unwillingness to subject themselves to "the unknown" of the infirmary prompts some freshmen to try to shrug off illnesses that should be treated. Colds, flu and other "bugs" are all too communicable on a college campus. The physician in the college infirmary is right to ask that students report when they are sick.

All in all, the college will probably be a very different experience for the new student. He will not have his parents to fall back upon, nor can he reassure himself with the familiarity of home and childhood friends.

The personal setting for his academic work—the reason that he came to college—will involve working with new people, depending upon new friends. Above all else, the premium will be on self-reliance.

COPING WITH COLLEGE: WANT TO BE A SUCCESSFUL STUDENT?

(By Stanley J. Idzerda, dean of the college, Wesleyan University)

When you get to college, will you be a student or a pupil?

Many will not give up the pupil's approach. In primary and secondary school they learned how to rack up points by diligently memorizing textbook material and mimicking opinions of teachers.

That formula should be unlearned before the newcomer arrives on his campus.

On the university level the premium is on students. The concept of higher education is entirely geared to adults—students and faculty interacting. Students search for the truth, constantly testing ideas and synthesizing new information. Pupils parrot what they are told. They never dig below the surface.

Initiative is an outstanding characteristic of the successful college student. It is up to him, after all. He must go after a subject, probe for its problems and hypothesize answers.

If the going becomes sticky, initiative will again pay off. It is the college student's responsibility to seek out the assistance of his instructor.

That contrasts with the situation in high school. There the teacher is obliged to check with and help pupils who are lagging behind.

There should be no doubt. College instructors are usually glad to help. They will offer special assistance regarding the content of a course or suggestions as to improve study procedures.

But the first step must be taken by the student who is having trouble.

Initiative also importantly figures in the process of freshman placement. The new student should be ready the day he steps foot on campus. The action begins immediately.

The battery of aptitude and placement tests that confront incoming freshmen are important. The tests gauge the strengths and weaknesses of all new students and help college officials place them in the right courses.

Placement in the right section of the right course is equally important. Beginning courses take into account the varying aptitudes of freshmen and are often divided into "honors" and "regular" sections.

High scores on the aptitude and placement tests may permit an incoming student to enter an advanced class. Normally first semester courses for freshmen are given over to intensive reviews of English, foreign languages, physical science and other basic subjects.

Because the stakes are high, an incoming student should polish his skills during the late summer. After a summer of fun or work, one's intellectual edge may not be too sharp. The resulting danger is that with a mediocre score on a placement test, the new student will find himself set on a lower rung than he really deserves.

Then—mid-October—"it all comes back." Too late.

The new student is stuck for a semester of freshman review. Nonetheless, it is not genuinely productive to begin the ferment of a college education by plodding through something that you already know. Advance prep for the placement tests is the answer.

Some new students prefer to think that there is always room at the bottom. They aim low. Lacking confidence in the advanced work they did in high school, they insist upon the lowest possible placement so as to minimize competition and avoid failure. Boredom also strikes most of these students eventually.

Initiative also pays off on a day-to-day, hour-by-hour basis. The ability to get to work—and stay at work—is the ultimate key to college success.

Many students refuse to acknowledge this need. Most have more than enough capacity to handle the intellectual burden, but very few ever gear themselves to anything near their capacity.

The brighter ones are often most at fault. They have become accustomed to getting by in high school and never care to mend their ways. The number of first-class minds that emerge from college with a so-so education is appalling.

Achievement almost always requires periods of loneliness and drudgery. That is true in college and throughout life.

Time-wasting is the greatest vice in college life. And time is our most precious possession.

To help control your use of time, set up a schedule. Draw a grid with seven columns for the days and with spaces for each 24 hours.

First, mark off eight hours a day for sleep. We can't get by with much less. Eating and grooming probably account for about four hours a day.

For study, a rough measure is that a student should spend two hours for study outside class for every semester hour of credit. If a typical program involves 15 hours of class every week, that means a total of 45 for class and study. It would probably be right to add five hours for laboratory work.

Extra-curricular activities are an extremely important element of college and should be given at least 14 hours a week. Add 10 for a paying job and you have a total of 158 hours. Ten are left for worship, dating, contemplation—and just plain loafing.

Stultifying? Too unimaginative? Perhaps. But if you succeed in organizing your time, you are well on your way toward success as a college student.

COPING WITH COLLEGE: DISCOVERING A NEW LIFE AND PERSONALITY

(By Stanley P. Idzerda, dean of the College, Wesleyan University)

The wraps are off. The newly arrived college student is free. He calls his own shots and, within the mildest constraints, does as he wants.

This is an abrupt change from life as a high school pupil. At that level, parents and teachers effectively mold a youngster's life and behavior. Even rebels have a definite set of dos and don'ts at which to kick their heels.

In the new, free environment of college, some students "completely change." At the extreme, a good high school pupil may become a lackadaisical college student. Or he may become all wrapped up in one subject, one issue or one person and lose out on the breadth of experience and training that college should provide.

Under the best of circumstances, the new student will find himself modifying and strengthening his personality. He is an adult now. An adolescent's manner is no longer suitable. College is necessarily a period of profound personality change.

Too many merely react to a lack of paternal supervision—in such areas as neatness, grooming, table manners, smoking, drinking and sex. Such reactions may be inevitable. But they are nothing more than reactions. The greatest danger is that the student will kid himself into thinking that his new (often bad) manners really represent a step toward maturity.

Fortunately, not too many college students overestimate the significance of a pair of jackboots, an unkempt haircut or whatever else might be "in" at the moment. For one thing, in this precocious age, many of these affectations are now the domain of high school pupils. It is they who are now the pace setters in youth fads. College students are recognized to be "older"—and very often more serious-minded.

But college students in groping to find a new personality often do overcommit themselves to various aspects of their campus environments. Some place all their emphasis upon being accepted by a fraternity or sorority. This is a shortcut to finding a new life style.

Once accepted, some students compress themselves in what they believe to be their fraternity's mold. Conformity of this sort is the hang-up of many people beginning college.

Admission to a fraternity or sorority can be a problem in another sense. Nothing is sadder than the freshman who defines the entire meaning of his college life as admission to a specific fraternity—and then does not receive a bid to it.

He has simply misunderstood the central meaning of college. Moreover, the students despondent about not having made a fraternity should know that as a sophomore with a "B" average and some sign of leadership, he will be a welcome entrant in most Greek letter societies.

The key point on fraternities and sororities, I believe, is that incoming students should carefully consider the fraternities on the campus. It is important to obtain complete information on the physical, social and intellectual values—and disvalues—of a fraternity before committing oneself to it.

Campus politics can become obsessive, too. Becoming a class officer or taking a position in clubs or organizations can be very worthwhile. Some campus politicians become so frenzied, however, that they no longer have time for academic work, roommates or the cultural life outside classes.

Nor does activism necessarily insure effectiveness or significance. Again, as with choices of social groups, entry into clubs and political activity should be made with real care.

Varsity sports also attract some students. But for the high school pupil who found his greatest fulfillment in varsity competition, college can prove a major disappointment. Making a college basketball or football team can be very difficult. "Good" skills often are not enough.

One of the pleasant discoveries of college life is that intramural sports are much more important than at high school. One can engage in intramural sport of one kind or another all year. It is usually a major factor in the social life of a dormitory or fraternity. Also, students who participate in intramural sports find they have an enhanced sense of physical well-being, to say nothing of increased self-confidence.

In a sense, over-commitment to study can also defeat the purpose of college. The "grind" is a caricature of a real student.

This is not to dispute that the classroom, laboratory, library and one's own study desk are the centers of college life. They are properly so. Furthermore, a capacity for solitary intellectual drudgery should be developed.

But the grind puts the wrong kind of a premium on grades. And the grind is wrong in cultivating isolation. The fact is we learn together: intellectual growth usually stems from dialog. Moreover, the grind wrongly deprives himself when he cuts off social opportunities and remorselessly sticks to his books.

Giving your "all"—whether to sports, campus politics or anything else—is an easy approach. But it does not accord with the real values of college. Higher education aims at developing people who are multifaceted—not one-track.

WHAT ABOUT CAMPUS BEATNIKS AND ACTIVISTS?

(By Stanley J. Idzerda, dean of the college, Wesleyan University)

The freedom, openness and relative ambiguity one faces in college is a shock and that shock derives from the very thing that most college students most seek—*independence*.

The first shock of independence often occurs with the realization that the college faculty is making some large, generous assumptions about the new student's maturity. For example, the professor addresses his first session of a freshman class: "Ladies and gentlemen, this morning we shall examine . . ."

The salutation was not "Boys and girls!" Self-conscious smiles light the classroom.

But the professor's opening words are also significant in other senses, too. He says "we." Learning is to be a common, shared enterprise. And information is to be "examined." Mere absorption of assigned material is past. Now the student is encouraged to develop a critical capacity and to exercise it constantly.

All of which means that the college student has adulthood thrust upon him. He must take the initiative. It is no longer a matter of wishing for independence. He has it and must endure its consequences.

To some students, adulthood is not merely a shock; it is shattering. They give up all standards. Purporting to seek greater creativity, these young people expunge all norms. Pattern, design, form and explicit goals are all held to be hindrances in the free play of one's personality.

In the expression of their new independence, these students conclude that standards set by anyone—except those in rebellion against standards—wrongfully inhibit their free growth and their potential for feeling, insight and inspiration.

While it may be unfair, students of this sort are usually labeled as "beatniks." Pure specimens of the species are not found on many campuses, but hybrids abound.

Unhappily, these normless "creator" types seem to think that their outlook is necessary for any artistic achievement. They ignore

the plain fact that measure, form and values are essential in art—as well as all other human achievement.

"Beatniks," real and fancied, have been a boon to those prone to find fault with campus life. But if it were not for that, it would be something else.

To those 20 or more years their senior, the college generation never has quite the proper stance. Either it is too undisciplined, too sober, too pathetic, too activist, too sex-mad, too bookish—or too something.

In the recent past, the critics despaired of the "silent" or "apathetic generation." Now the tide has turned. The minority on present-day campuses that makes the news and sets the pace is politically activist. Student action on political and social causes is almost daily headline fare.

As a result, there is now as much worry about and criticism of the "committed generation" as there was about the "silent generation" that preceded it.

In some people's mind there is confusion between the activists and the beatniks. To be sure, some activists are also distinguished by beards and flowing manes. The nonconformist uniform is largely the same.

But beatniks are really apolitical. They say they want to withdraw from society. The activists want to transform it—and fast.

Actually, to keep our fads straight, beatniks are not quite contemporary. For "today" people, activism is the mode. The "beats" really belong to the yesterday of the late 1950s and early 1960s.

Today's campus activism obviously reflects the temper and tone of the society from which the students come. The all-important additive is the elan and capacity for single-minded intensity that is so characteristic of college-age people. Whether it's a matter of backing a football team or demanding civic reform, students have "spirit."

The question is: Does political activism fit in college life?

Some argue that a college is a separate and special community withdrawn from the larger community. As such, college students should not participate in the life of the larger community. In short, college is an ivory tower. Intellectual activity is on an abstract, hypothetical level. All is essentially a form of exercise preparing the student for existence after college.

The contrasting viewpoint holds that college is a laboratory for self-discovery. This cannot be done in isolation or a social vacuum. The evolution of one's values is only possible in the context of real problems. The essential validity of the second proposition seems self-evident to me. Our intellects are not disembodied. Every subject we study has some significance to the world around us.

Going to college is, of course, a formalized means of seeking the truth—as ivory tower advocates would maintain. But contemporary students believe that they must also live the truth and do the truth in order to test its total validity.

Nearly all college faculty and administrators prefer the activist student, heavily engaged in political and social causes, to his apathetic, disengaged counterpart. Many students have discovered relevance and meaning to their existence in their commitment to causes.

But balance is necessary. Activism for its own sake can become a vice. A college student, after all, by virtue of his calling should make a commitment based only on reason and reflection.

Nor should a commitment become so obsessive that it obliterates everything else. A student's first job is study. Attending a rally, carrying a banner, immersing oneself in the passions of a mass movement can be one more highly attractive form of procrastination by which a student puts off the hard work of learning.

COPING WITH COLLEGE: THE CAMPUS MATING GAME

(By Stanley J. Idzerda, dean of the College, Wesleyan University)

No other age has probably been as sexually aware or stimulated. Sex is a major if not overpowering theme of most entertainment and energizes a great part of the nation's advertising and merchandising.

The public is bombarded with sexually provocative images 24 hours a day. In fact, because of the need to build future markets, college students are a key target of the advertising industry.

The impact upon students can be substantial. Try to think of a group more biologically supercharged. It is amazing that any studying at all is done on campus.

The problem is more acute than it was. Contemporary attitudes toward sex, while perhaps not radically different than those of the immediate postwar period, are certainly now much more permissive. Books, films, even home-consumption television are explicit. Young people, as never before, are being provoked.

Indeed, if this emphasis is continued and further intensified, it is possible that mass media will score an unexpected breakthrough and make sex boring.

As a result, many believe that society affirms the pseudopsychological theory that sex is at the center of a person's existence. After all, the mass media say that the key goals of life are to be sexually attractive and competent.

The blare of sex propaganda creates an obviously frustrating situation. Sex is merchandised for fun and personal fulfillment by the mass media. But at college students find strong efforts made to deny them intensive sexual expression outside marriage.

On campus, the double standard typically applies. Women usually have "dormitory hours," but men do not. The assumption seems to be that women need more protection. In any case, it is thought, if the girls have to be behind locked doors by midnight, the men will go home.

In face of conflicting standards—restraints vs. provocations—some students contend that their own sex life is their own business. If they want to engage in sex on an experimental basis, they argue, it is their own affair and nobody can say them nay. Even more rationalize premarital relations for engaged couples.

Despite those who advocate or condone promiscuity, the plain truth is that sex is never a private affair. It cannot be rationalized as such. The sex act involves two.

It is sometimes difficult for the college teacher to maintain traditional moral standards. Students come to college to develop their individuality. The only medium in which they can do so is freedom. But it is necessary to ask them to be responsible—and to accept responsibility for physical and emotional consequences of what they do. College students should be made aware that there are serious philosophical and spiritual aspects of sexual activity.

The most important is that a person must be concerned with the effects of his actions upon others.

To use other people for economic or political purposes is considered wrong. That is exploitation. How much worse is sexual exploitation?

Of course, much of the sexual activity among students is entirely correct. They are married. A supposedly transient feature of college life immediately after World War II, married students are now a fixture of most campuses.

Modern undergraduates are very marriage-minded. The canard that only women are looking for a husband is unfounded. Men are also anxious to find a wife.

The motivation of the campus brides and grooms is often very inadequate. In many

cases, marriages are based on sex attraction alone. Divorce data makes clear how disastrous that can be.

Immediately allied, romantic love bedazzles many. This rapturous emotion is not proved to be in itself enough to preserve marriage.

Other students have become hopelessly bored with college and see marriage as a means of magically transforming their lives.

In fairness, it should be conceded that records prove that most married college students perform somewhat better than their single classmates. After all, the energy previously given to the chase is now available to study.

Nonetheless, the fact is that most college faculty members urge students to defer marriage until after graduation. Academic life is demanding and fulfilling enough to take up the serious portion of a young person's life.

By and large, students still seem to agree. While most Americans are marrying at steadily younger ages, college students as a group remain apart, postponing marriage until their early 20s.

DOES ANYBODY REALLY CARE ABOUT YOUR GRADES?

(By Stanley J. Idzerda, dean of the college, Wesleyan University)

Among the most widespread and persistent myths shared by college students is that wit, charm, the social graces, and a record of campus activities will be more important to the first employer after college than any other single fact—especially, mere grades.

A closely related myth suggests there is a significant connection between the specific courses we take in college and the employment for which we are qualified. Facts explode both of these myths.

The most concrete information we have relating to college achievement and performance outside of college is the now famous Bell Telephone Study of 1962. Bell examined the careers of 17,000 of its employees who were college graduates. Success with the company was checked against the employees' academic performance, extra-curricular activities self-support in college, as well as to the quality of colleges they attended.

Academic excellence closely correlated to success with Bell Telephone. Those who had ranked high in their classes were found to be receiving the highest salaries in the Bell System.

Achievement at Bell and the quality of the college also showed some correlation. In addition, some relationship was shown between extra-curricular achievement and salaries. No correlation was shown between achievement in business and those who worked to support themselves while students.

But, to repeat, the strongest correlation repeatedly appeared between "grades" and success in business.

The unanimity and consistency of results would seem to show that grades do count in terms of post-college achievement, performance and rewards. Not surprisingly, many personnel directors have taken the Bell study into account. They now interview students in the top third of their classes before any others, sometimes to the exclusion of any others.

This does not mean that there is a direct, connected, verifiable and demonstrated line between a B average in college and the specific work a man or woman performs after college.

What it may mean is that the habits of achievement and the capacity to meet the stated goals of an organization are reflected both in the college grades and in business success.

It may mean also that those who succeed in college, or those who have superior grades in college, have mastered perhaps the most

important aspect of any life, the ability and the willingness to learn new, strange and perhaps unpalatable material and information. This capacity to learn, this willingness to master and apply new concepts, is what any person needs in our complex world.

Grades may indicate innate ability. But they may also indicate the capacity for drudgery and the willingness to learn. Employers, at the point of graduation, may not so much treasure a student's grades but the habits and attitudes which those grades signify.

If grades do count, do specific skills count even more? It is true that some employers want such skills. For instance, production industries need various professional skills, such as engineering.

Yet we must remember that nearly two-thirds of all college graduates within five years of their graduation are in a field completely different than that for which they thought they were preparing in college. Furthermore, specialized training becomes dated, if not useless, within 10 years after the student is graduated.

This is not to say that any college "major" is equally important or equally well-suited to everyone. What is suggested is that a student is wise to follow his aptitudes and his interests and to excel in those areas. The habit of excelling is more important than the specific major field one takes in college.

Academic excellence presupposes skill and in-depth understanding of what I call the "languages" of learning.

The first of these is literally that—English. Regardless of grades, major, or plans for the future, unless the student has a command of English, the student will be crippled. He will be at a loss to mold his personal existence and shape his own ideas. And, obviously, inability to work in English will hobble a student in dealing with other people and in progressing in a career.

Mastery of English is not something solely achieved in college. But this essential skill surely should mature at a very rapid rate while at college and should be nearing optimum efficiency by time of graduation.

Foreign tongues are also extremely important. Knowledge of French, Russian, Chinese or any other language provides a far deeper knowledge of our own language. Moreover, a real insight into foreign culture is only possible when one knows the language of that culture.

Then there are nonlinguistic "languages" that the student must master. Statistics and mathematics are clearly indispensable to roles in technology or science. But these "languages" are also essential for social sciences and arts. The humanist who assumes that he can safely ignore math is sadly mistaken—and will be shut off from much of the modern world.

A campus is not the only possible setting for higher education. Actually, if college has any value at all, the student's higher education will continue throughout life.

College's great significance is that it can in a systematic way and in a conducive environment introduce the student to the educational process. Above all else, this means establishing a taste for human excellence. That is the foundation of a real—and continuing—education.

AMERICAN AGRICULTURE AND THE COMMON MARKET

Mr. MONDALE. Mr. President, 1 month ago the Department of Agriculture announced that U.S. agricultural exports had climbed to an all-time record of \$6.7 billion in the fiscal year ending June 30, 1966, an increase of \$600 million over last year's high. Commercial cash sales accounted for three-fourths of this

total, the remainder being concessional-type sales under the food-for-peace program.

This is a tribute not only to the amazing productivity of the American farmer, but to the vigor of our farm export trade. Working together they have made agricultural exports the largest contributor to a favorable U.S. balance of payments, equivalent to one-fourth of total U.S. export earnings. The increase from last year to this was all in commercial dollar-earning trade, and on an overall basis our farm exports were \$2.2 billion larger than farm imports.

But I must note with alarm and deep concern that developments in the Kennedy round of the GATT negotiations place in jeopardy a market for slightly over 31 percent of our total commercial sales in agricultural products.

We must face the unpleasant possibility of losing a substantial part of the farm export markets of the European Economic Community, by reason of its protectionist common agricultural policy. The EEC is the largest cash buyer of American agricultural products. U.S. farmers sold \$1,593 million worth of farm commodities to the Common Market in fiscal 1966, up from \$1,370 million in fiscal 1965. The following table indicates the size of their purchases, and I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Top 10 cash buyers of U.S. farm products in fiscal 1966

[In millions of dollars]	
Japan	914
Netherlands ¹	515
Canada	482
West Germany ¹	476
United Kingdom	435
Italy ¹	277
Spain	201
Belgium-Luxembourg ¹	183
France ¹	142
Denmark	85

¹ Indicates EEC Member States.

Mr. MONDALE. Mr. President, to say that the loss of this market would be tremendously damaging to U.S. farmers and export trade understates the issue. Today one of every four American farm acres produces for export—a total of 78 million acres. Over 50 percent of our wheat and rice production is exported; and over one-third of soybeans, grain sorghums, and nonfat dry milk are exported. American farmers get fully one-sixth of their income from sales to export markets.

Annual U.S. farm exports use the capacity of 1.1 million freight cars in inland transportation, and 5,200 average-size cargo ships totaling 52 million long tons of ocean transportation.

Much of the increase in farm income in recent years is due to growth in foreign markets. Just 4 years ago, only 1 in every 6 acres produced for export, and commercial dollar-earning export sales have risen from \$3.5 billion in fiscal year 1963 to the current \$5.1 billion.

My own State of Minnesota has a tremendous stake in the continuing growth of foreign markets. Since the opening

of the St. Lawrence Seaway, Minnesota farm exports have increased 73 percent. The value of agricultural exports from the upper Midwest region are up 95 percent since fiscal year 1960, and will reach \$1.2 billion this year.

In our efforts to put American agriculture back on its feet after 6 years of hard, difficult work, we simply cannot afford the loss of the EEC as a cash export market.

My very deep concern in this matter results from the conviction that the offers for trade liberalization on farm goods made by the EEC in the Kennedy round of GATT follow closely the common agricultural policy recently concluded by the EEC Council of Ministers in Brussels. We have every indication that the EEC offers, like the CAP—common agricultural policy—would place the United States in the position of a residual supplier of farm goods to members of the EEC.

To grasp the dangers involved, it is necessary to sketch briefly the background developments in the Kennedy round negotiations.

The Kennedy round, the sixth in the 20-year history of the General Agreement on Tariffs and Trade—GATT—was called to discuss and negotiate trade liberalization and the reduction of trade barriers over a greater range of commodities, both industrial and agricultural, than ever before. Its guiding principle was the reduction of both tariff and nontariff barriers across the board.

Following passage of the Trade Expansion Act of 1962, which authorized American participation in the Kennedy round, the participants agreed in May of 1963 on the following objectives as a guide for negotiations.

First, the negotiations would cover all classes of products, both industrial and agricultural.

Second, in order to strive for maximum trade liberalization, each participant would submit offers to cut barriers by 50 percent, across the board, with a bare minimum of exceptions to be subject to confrontation and justification.

Third, with regard to agricultural trade, the negotiations would seek to provide for acceptable conditions of access to world markets and a significant expansion of international trade.

Fourth, every effort would be made to arrive at reduction of trade barriers to less developed countries, with no demand of reciprocity from advanced nations.

Fifth, the negotiations would cover both tariff and nontariff trade barriers.

When the Kennedy round formally opened in Geneva in May of 1964, the 50-percent linear cut was agreed upon as the basis on which to proceed. It was fully intended that the lists of exception from industrial cuts of 50 percent would be tabled, or submitted for negotiation, at the same time as the agricultural offers, and that both agricultural and industrial discussions would proceed together. But the growing internal difficulties within the EEC over agricultural policy prevented their agricultural offers from being tabled when the industrial exception lists were laid down in November of 1964.

The EEC crisis over a CAP lasted through much of 1965 and into the early months of 1966. In order to keep the Kennedy round alive, most major countries tabled their agricultural offers in September of 1965, withholding only those parts of interest to the EEC. However, there was understandable reluctance on their part to make any significant commitments until the future of the EEC was resolved.

Finally the EEC was able to work out its difficulties, and agree on a CAP at the same series of meetings in late July of 1966 in which they approved their agricultural offers for the Kennedy round.

The nature of the EEC common agricultural policy is the key to understanding the EEC offers on agriculture.

Prior to November of 1964, when it was agreed that industrial discussions would proceed on the basis of a linear 50-percent reduction, with lists of exceptions, the United States pressed for a like 50-percent reduction in agricultural barriers. We did so in part to forestall the obvious movement of the EEC toward a policy which would provide for high internal price supports, with protection from third country competition by the variable levy system. The EEC was faced with merging six separate, inefficient farm systems into one unit, and so adopted a strongly protectionist tack. They thus pressed for ground rules which would be based on this internal goal.

When it became clear that ground rules on agricultural commodities could not be agreed upon, the discussions could not proceed until the CAP was completed and accepted by EEC members.

The internal EEC crisis slowed progress of completion of the CAP, but as soon as it was resolved, the CAP was formulated and agreed on July 22-23, 1966, with agreement on EEC Kennedy round offers soon after. Those offers were tabled in the first week in August.

The CAP covers 90 percent of EEC farm production, and lays a foundation for free internal movement of farm products by July 1, 1968.

The central aspect of the CAP is its uniform system of regulated prices, pegged at very high levels as a conscious effort to stimulate production and as a political compromise to protect members having inefficient, high-cost farm producers. It is interesting to note that two-thirds of the farms in the EEC are 25 acres or less. To keep prices at these high levels, despite production increases, complex and detailed marketing structures were established using variable import levies, support buying, and export subsidies.

The variable levy raises the price of imports to or above the internal price support level, thus canceling in every case the competitive advantage which may be enjoyed by an outside producer. If an American farmer finds a way to price his corn 2 cents a bushel cheaper, the variable levy increases by 2 cents. The proceeds from such levies, with other funds, will be fed into the EEC guidance-and-guarantee fund, in turn used to promote agricultural development and sub-

sidize exports of EEC-produced farm goods.

It has been conservatively estimated that the guidance and guarantee fund will reach \$1.6 billion annually. Only \$285 million will be used for agricultural modernization, with the remainder used for subsidizing farm exports of members.

The CAP is therefore best understood as a political compromise between six governments, a political compromise won only after great difficulty and negotiations of the utmost delicacy. As such it protects the inefficient producer. It provides incentives to greater production. The dual protection of high support prices and variable levies removes any incentive toward competitive efficiency. It is perhaps axiomatic that the result of merging six systems into one would be the highest common denominator of protection.

Many commodities exported to the EEC became subject to the variable levy in 1962, and this feature is known. But under the CAP we have for the first time a uniform, common internal price pegged at a high level. It is reported that the EEC Council of Ministers increased the common prices suggested by its Executive Commission on all commodities, the increases ranging from 7 to 30 percent.

Even on an abstract level, it is quite clear that the CAP will very seriously affect U.S. farm exports to the EEC. It is clear that the EEC intends to move toward agricultural self-sufficiency, toward protection by variable levies, and toward production of surpluses to be dumped on world markets with export subsidies.

How fast the EEC moves toward self-sufficiency, and therefore how quickly our markets are affected, will turn on two factors. First, we do not know the rate at which the high internal support price will encourage new production. We experienced mixed increases and decreases in our exports with the variable levy alone, but the price supports with the levy will be a potent, double-barreled incentive. Second, the extent to which food consumption and demand in the EEC increases ahead of production has a direct bearing on our markets. I believe we can expect, at least for the near future, that the reported high CAP beef price will encourage cattle production, and create a growing market for U.S.-produced feed grains.

Beef consumption in the Common Market nations has room to grow. Consumption of beef and veal in the EEC in 1963-64 was 51 pounds per capita, compared to 102.7 pounds in the United States. Consumption of pork in the EEC was 46 pounds per person, compared to 65.4 pounds in the United States.

Exports of feed grains, excluding products, to the EEC increased in fiscal 1966 to over 10 million tons and accounted for two-fifths of U.S. feed grain exports. We have benefited from the increase of livestock production now underway in the Common Market.

As a matter of fact, while U.S. farm exports to the EEC have increased by 35 percent from fiscal 1962 to fiscal 1966 for both variable levy commodities and those

not subject to variable levies, the increase can be explained solely by the heavy EEC emphasis on expanded livestock production.

The following table compares the dollar-value increase of total U.S. farm exports subject to the variable levy with the increase in feed grain exports alone, which are also subject to the variable levy. In every case but France, the increase in U.S. exports to the EEC is almost wholly the result of the increase in feed grains:

Dollar-value increase from fiscal years 1962 to 1966 of commodities subject to the variable levy

	All commodities subject to the variable levy	Feed grains
EEC.....	\$239,605,000	\$265,908,000
Netherlands.....	85,804,000	60,142,000
Belgium-Luxembourg.....	34,432,000	35,750,000
France.....	12,873,000	1,260,000
West Germany.....	112,455,000	37,810,000
Italy.....	118,951,000	130,946,000

¹ Decrease.

To understand the impact of the variable levy on U.S. farm exports other than feed grains, the example of poultry is significant. Before the CAP on poultry took effect in 1962, the German import duty was 4 cents a pound. After the CAP took effect in June 1963 it jumped to 9.7 cents a pound and reached 15.7 cents a pound in February of 1964. This drastically cut our poultry trade with West Germany. Growing shipments of frozen broilers to West Germany had reached \$32 million in 1962, but following imposition of the levy in 1962, tailed off sharply in 1963 to about \$10 million, and held steady in 1964 only because of a general shortage of meat in Germany.

The increased competition to us from EEC export subsidies is equally serious. In 1961, the United States sold \$9.5 million worth of poultry to the Swiss—66 percent of their imports—and by 1964 our share of export sales to Switzerland had dropped to \$4 million, a share of 23 percent. French and Dutch export subsidies, together with government assistance to Danish producers, had impaired our competitive position sharply.

Although the agricultural offers, agreed upon by the EEC Council of Ministers after completion of the CAP are officially secret, it is not difficult to gather from the press reports and the reports of those experienced in following the Kennedy round what those offers are. Their offers are simply to freeze and hold a light reduction in the support level. While exact figures are not available, we know that as an outgrowth of the CAP the EEC offers continue their protectionist line.

The very difficulty experienced by the EEC in arriving at a CAP insures that their offers in the Kennedy round will substantially reflect what was established by hard-won agreement.

Mr. Howard L. Worthington, representing the Foreign Agricultural Service of the USDA, testified on this point before the Foreign Policy Subcommittee of

the House Foreign Affairs Committee on August 17, 1966, and said:

For example, the high prices will stimulate EEC domestic production, and thus decrease the EEC need for imports; the difficulty which EEC Ministers had in reaching these decisions (on the CAP) makes it unlikely that the EEC will be willing to reopen these matters in the few months left us in the negotiations to take actions which would undercut the decisions just made.

Mr. Worthington went on to say:

From what we know of earlier EEC negotiating proposals, of the nature of the CAP's and prices which the EEC has agreed upon, I would be less than honest if I did not say that the EEC still has a long way to go before its offers can be considered meaningful. The EEC is a key participant in this negotiation. If its offers are not meaningful, we cannot expect to have a really successful agricultural negotiation. In our judgment, a less than successful agricultural negotiation raises a very serious question of whether the U.S. can have a successful negotiation at all.

I must say that I am in full agreement with both of these statements.

The daily bulletin No. 2474, dated July 27, 1966, of the Europe-Agence Internationale D'Information Pour La Presse, makes it clear that the decisions and agreements on EEC Kennedy round offers were made as an integral part of the conclusion of overall negotiations on the CAP. Europe had this to say:

The various points on which agreement had to be reached were of course linked (the notorious package deal): it is thus thanks to the final decision alone that the whole of the agreement is achieved. The final element in the package deal was the offers to be made by the Community in Geneva, in the agricultural Kennedy Round. It was only when, shortly before 1 o'clock, agreement was reached on this point, that the Council was finally able to adopt the implementation of the decisions adopted on 11 May 1966 on the financing of the common agricultural policy and on the free movement of goods within the Community.

Mr. Zagari, Italian Under Secretary of State for Foreign Affairs, is quoted as saying that the offers the Community was going to make had to be based "on respect for the internal balance realized within the framework of the six."

Europe finally indicates the EEC offers consist of freezing a light reduction in support levels. Herschel Newsom, master of the National Grange, states that reliable European sources indicate that while the United States has offered a 50-percent reduction in its already extremely low agricultural tariffs, with minor exceptions the Common Market concessions are reported to be minuscule, even adding protection to their markets in some instances.

Our negotiators will thus be faced with an exceedingly difficult task in Geneva, as they proceed to discussions on the agricultural offers. The process of "confrontation," by which offers are delineated and clarified, has been concluded. At present, bilateral negotiations are underway. But, at the least, they do have a clear U.S. policy for trade liberalization—and a clear mandate that without meaningful agricultural concessions, there can be no successful conclusion to the sixth round of GATT.

The United States has made it clear in the past that its agricultural offers were put forward in the expectation of similar concessions by other major participants—and that these will be withdrawn or modified if the others do not measure up. We have as well indicated our willingness to withdraw or modify industrial offers to the extent necessary to achieve reciprocity in the overall negotiations. We have insisted that our goal is 50-percent reductions in agricultural tariffs or the equivalent.

Section 252 of the Trade Expansion Act which authorized our participation in this round is a clear and forceful expression of our policy on agricultural trade. It provides:

(a) Whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(3) notwithstanding any provision of any trade agreement under this Act and to the extent he deems necessary and appropriate impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

The House Ways and Means Committee report on the Trade Expansion Act said:

We must have the means to influence the development of such policies so that United States agricultural exports will not be displaced by less efficient production in the EEC induced by excessive protection against imports. . . . It would be unfortunate, in the view of your Committee, if our tremendous natural advantages as a food exporter were sacrificed because the United States was not equipped to bargain effective trade agreements.

Our goal is and must continue to be clear. We must seek a reduction in trade barriers for both agricultural and industrial trade with the EEC. I call upon our negotiators to advance this policy strongly in the discussions now underway.

The United States means business. We are determined not to ignore the interests of our farmers, our entire agribusiness industry, and the thousands of jobs in the handling and transportation of food for export.

We must insist that the negotiations and resulting agreements not be one-sided, allowing European industrial goods to be imported into the United States while American farm products are barred from Europe.

It will be difficult at this stage to persuade Common Market nations to make fundamental changes in their farm policy, but this is no time to let down. No one who bargains in good faith submits his last word and final offers at the beginning of negotiation, and we have no reason to doubt the good faith of the EEC. Our farm markets in Europe are important enough to the Nation to fight to the

last ditch for them, and they are even more important to farm States such as Minnesota.

We should continue to press for acceptable conditions of access to EEC markets. We should seek to lower and minimize the effect of the price-support variable levy system. We should show our friends of the EEC that we are determined to withdraw or modify our offers in the event they adhere to a strongly protectionist position. We should consider the possibility of using the retaliatory authority of section 252 of the Trade Expansion Act of 1962.

We must be firm, because the EEC will vigorously defend their position, and we cannot afford to have them misread our intentions and goals.

To do less would be agreement on our part that international agricultural trade policy must be merely a patchwork of each national agricultural policy.

But the whole purpose of the Kennedy round has been to do more than that—to encourage adjustments in trade restrictive countries to permit wider agricultural and industrial trade.

This is in our best interests, because the facts show that the great efficiency and productivity of the American farmer enables us to compete in international markets—and better our balance-of-payments position. A vigorous farm export policy helps build a more adequate and fair income return for our farmers.

The open door of trade is the door of opportunity for the farmer and those in the farm export industry. Let us keep that door open in the future.

THE NEW IMMIGRATION LAW: AN APPRAISAL

Mr. DOUGLAS. Mr. President, on December 1 of last year, President Johnson signed into effect a new immigration law at the foot of the Statue of Liberty. It was a truly historic event for the citizens of the United States and for those of us in Congress who had worked for so many years to reform our immigration laws.

At long last the nationality quota system, first established in the twenties and perpetuated by the McCarran-Walter Act of 1952, was eliminated. This was the most far-reaching provision of the new law. Nations the world over praised our actions, which put an end to a system they had long viewed as discriminatory. In addition, the arbitrary boundary known as the Asia-Pacific Triangle was eliminated. This aspect of the 1952 law had reduced immigration from the Far East to a trickle. The new law also afforded traditional nonquota status to Trinidad and Tobago, two Latin American nations which have recently gained their independence.

In addition, the new law created a quota "pool," designed to ease the strain of long waiting lists in countries with small annual quotas. The old nationality quota system had assigned exceedingly large quotas to many countries in northern Europe, notably Great Britain and Ireland, which were never able to make use of them. Under the Immigra-

tion Act of 1965, these unused quota numbers have been deposited in the pool and can be used for Italians, Greeks, and other nationalities whose small quotas have long been oversubscribed.

Those countries which have a backlog of immigrants with relatives in the United States have benefited most from the pool, because families of American citizens and permanent residents have been assigned the highest priorities under the new preference system. And so the new law has served a dual purpose: First, it has reduced the long waiting lists of qualified visa applicants from such countries as Italy and Greece; and, second, it provides for the reunification of families by giving relatives the highest preferred status.

All of these provisions have made the Immigration Act of 1965 an important and a successful piece of legislation. I am proud of the part I was able to play in the enactment of this law. I had the privilege of testifying on behalf of the bill when it was in its early committee status. I also spoke in favor of the bill and cast my vote for it in the Senate. I do not think, however, that my duty as a legislator stops with the passage of a single bill. Nor do I think that a historic problem of great complexity has ever been solved in a single response. The immigration laws of the United States have seen a greater improvement in the last year than at any other time in our history. Now, after 8 months in operation, I think we should give our new law an appreciative appraisal.

Some unforeseen difficulties have arisen in the operation of one provision, section 212(a)(14), which requires a labor clearance for those immigrants who plan to seek employment in the United States.

Under the new law, an immigrant is granted labor certification only after the Department of Labor has issued a clearance stating that his employment will not replace an American worker, depress his pay, or lessen the quality of his working conditions. Under this provision easy admission is granted only to those who fall in the third preference category, which includes professionals and people with advanced academic degrees in the arts and sciences.

Others must arrange for a job in advance. These are the immigrants in the sixth and nonpreference categories and all Western Hemispheric natives except those who are the parents, spouses, or children of U.S. citizens and resident aliens. The immigrant, while residing out of the United States, must find an employer who will offer him a job which a regional office of the Department of Labor has cleared in advance. The alien, who is already burdened with complicated visa and medical forms, is also called upon to complete a form 575A, which requires that he declare his qualifications for a certain occupation. This may be the single factor restricting his entry to the United States.

In this country the prospective employer must go through the drawnout procedure of filing a form 575B requesting a certain type of immigrant worker which he has proved is not available in

the United States. He must wait months to learn if the worker has been granted clearance by the Department of Labor and an additional period of time before the worker actually arrives in this country. In many cases, employment conditions change during this waiting period.

By and large, the delays have been caused by normal administrative difficulties related to the increased workload placed on the consulates and the Labor Department, which were swamped with applications as soon as the law went into effect.

What effect has the labor certification process had on immigration to the United States? While the total number of immigrants to this country increased slightly this year, there have been considerable reductions in several important areas as a direct result of the labor clearance required by section 212(a)(14). This, I should point out, was not the legislative intent of this section. The distinguished Senator from Massachusetts, EDWARD M. KENNEDY, the floor manager of the bill, pointed out in a speech in this Chamber on May 25 that "the procedures established to administer section 212(a)(14) are unduly restrictive." He said further:

I do not believe that the interpretation given this section by the Department of Labor adequately reflects the consensus expressed in this body during the debate last fall, or in the hearings issued by the Subcommittee on Immigration and Naturalization. I believe that the Senate anticipated more flexibility in the application of section 212(a)(14).

The reduction of immigration to the United States as a result of the labor clearance stipulation is not fully apparent at the moment, because of the fact that relatives who had long been on preference waiting lists are finally being given visas through the use of the extra quota numbers deposited in the newly created pool.

The numbers of qualified applicants from central and southern Europe who have been receiving visas thanks to our new law are most gratifying. I ask unanimous consent that a table, prepared on the basis of the latest immigration statistics for the fiscal year, be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Immigrant visas issued for the years 1965 and 1966

Country	1965	1966
Great Britain.....	30,845	22,579
Ireland.....	5,506	3,010
West Germany.....	22,899	12,961
France.....	3,068	2,344
Netherlands.....	3,316	2,197
Austria.....	1,405	871
Norway.....	2,363	1,455
Denmark.....	1,175	855
Italy.....	5,666	20,000
Greece.....	308	6,583
Poland.....	6,488	6,999
Yugoslavia.....	942	2,893
Czechoslovakia.....	1,404	2,104

Source: Visa Office, U.S. Department of State.

Mr. DOUGLAS. Mr. President, the nationalities that formerly were allotted minuscule quotas have greatly increased

their immigration to the United States. The great majority of these immigrants have rejoined close relatives here. The table above will show that this is especially true for Italy, where the number of immigrant visas is four times last year's figure, and for Greece, where 20 times as many visas were issued this year.

However, in those countries where no backlog of relatives is waiting for visas, the table shows a marked reduction in the number of immigrants coming to this country. This is the case for virtually all of the countries in northern Europe. The reason for this reduction is that very few of the people who now want to emigrate from these countries have relatives here to petition for them. Most of them are in the third, sixth or nonpreference categories which, of course, makes them subject to the labor clearance stipulation of section 212(a) (14). British and West German immigration was cut by almost one-half of last year's total. This most clearly illustrates the effect of the labor certification requirement.

Difficulties of a special nature have arisen in the few Communist nations of Eastern Europe which have allowed limited immigration to the United States in recent years. Mr. Henry Kamm, in a New York Times article, described the plight of Polish immigrants who have been restricted by the labor clearance provision. Mr. Kamm writes:

The new law, which eliminates national quotas, puts the emphasis instead on what the prospective immigrant can contribute in working skills. This would not reduce emigration from a country that allows all citizens to leave freely. It does so in Poland, which is not inclined to allow the emigration of the doctors, scientists and engineers whom it has trained at national expense.

I ask unanimous consent that the full text of Mr. Kamm's revealing article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANY POLES' HOPE FOR U.S. VISA KILLED BY NEW IMMIGRATION LAW
(By Henry Kamm)

WARSAW, May 5.—About 5,000 Poles have recently received the following letter:

"The Department of Labor has determined that there is no shortage of able, willing and qualified workers in the United States available for employment as (blank). We therefore regret that you are not eligible for a visa and we are not able to take any further action on your application."

Many more thousands of these State Department form letters will be sent out in the coming months, and many thousands of dreams will vanish over night. With heavy hearts, United States consular officials here are applying the terms of the new immigration law, which was designed to liberalize the old.

The effect in Poland is the opposite. Unless revised, the law will limit Polish emigration to the United States to close relatives of American citizens.

SCARCE SKILLS HOARDED

The new law, which eliminates national quotas, puts the emphasis instead on what the prospective immigrant can contribute in working skills. This would not reduce emigration from a country that allows all

citizens to leave freely. It does so in Poland, which is not inclined to allow the emigration of the doctors, scientists and engineers whom it has trained at national expense.

The blank in the form letter that Poles are receiving is usually filled in with the word "laborer," a category in which there is no shortage in the United States.

Complying with the new terms, consular officers have informed Poles on the waiting list to resubmit their applications. So far 10,000 of the 85,000 hopefuls have been told to reapply.

Of the 6,000 who have done so, 4,000 received the form letter. The others "were not automatically ruled out" and have been directed to ask the Labor Department to issue them certificates. "But the chances are 1 out of 10—that any of them would get it," an official said.

RETROACTIVE DISCRIMINATION

The 85,000 are those who have been told for five or six years that there is a good chance that they will receive visas after the backlog of applicants with close relatives has been cleared up.

For them, the official said, the new law represents a kind of "retroactive discrimination," particularly tragic in view of the fact that Poland is the only country in the Soviet bloc to allow substantial emigration to the United States. A total of 7,009 have gone there in the last fiscal year.

Of the 2,500 applications received in February, according to an official, all but 11 were automatically ruled out by the new law.

Ambassador John A. Gronowski, who arrived in Washington today for consultations with President Johnson and other officials, is reported to be concerned over the effect of the new law. The grandson of a Polish immigrant, he is said to be carrying a suggestion that the law be eased at least for the 85,000 to whom the hope of eventual immigration was once held out.

Mr. DOUGLAS. Mr. President, the effects of the labor certification process have been especially limiting in the Western Hemisphere. There are no quotas for individual Latin American countries, but an overall ceiling of 120,000 for the hemisphere was written into the new law—this is in addition to the annual quota of 165,000. This provision has created a good deal of controversy in the countries which are our closest neighbors. Many Latin Americans deeply resent this infringement of the nonquota immigration privileges they traditionally enjoyed on the basis of their historic ties with the United States.

The ceiling on hemispheric immigration was included in the new law to eliminate any charges of discrimination in favor of the countries of this continent and of South America. There is, however, some question as to whether the nations of the Eastern Hemisphere really felt that we were showing favoritism toward Latin Americans. Secretary of State Dean Rusk, when asked how other governments viewed the nonquota status which had always been given Western Hemisphere nations, replied:

I cannot recall in the past four years any government ever mentioning to us this problem—any government outside the hemisphere—because they understand that there is a historic special interest within this hemisphere among countries . . .

In addition to imposing a hemispheric quota, which Latins and Canadians seem to resent, the new law subjects even those applicants who have relatives in

the United States to the labor clearance requirement. This is a real inequity. In the Eastern Hemisphere all immigrants who have close relatives here are exempt from the job requirement, but in the Western Hemisphere all must comply with this provision except parents, spouses, and children of U.S. citizens and resident aliens. Reunification of families was one of the principal objectives of the law, but in the case of many Latin Americans and Canadians this objective has been frustrated by section 212(a) (14) of the law.

The immigration statistics recently made available by the State Department show that the number of immigrants coming from the Western Hemisphere was reduced by approximately 12,000 this year. Immigration from Canada has also dropped sharply. I ask unanimous consent that a table, comparing the number of immigrant visas issued in Canada's four largest cities last year with those issued this year be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Immigrant visas issued in Canadian cities, 1965 and 1966

City	Dec. 1, 1964, to June 30, 1965	Dec. 1, 1965, to June 30, 1966
Montreal.....	6,902	3,249
Toronto.....	7,118	2,502
Quebec.....	1,869	651
Vancouver.....	2,722	983
Total.....	18,611	7,385

Mr. DOUGLAS. Mr. President, although the immigration statistics for the entire Nation are not yet available, the figures show that the number emigrating from Canada's four largest cities has dropped to less than half of last year's total. The main reason for this reduction appears to be the rigid application of the labor clearance stipulation to immigrants from this hemisphere.

The American Immigration and Citizenship Conference predicted in May that at the end of this fiscal year, 70,000 regular quota numbers would not have been used. Their prediction was too conservative. Statistics from the visa office for the fiscal year 1966 show that 84,000 quota numbers were left vacant. This means that, despite increased opportunities, many immigrants are finding it harder to qualify for entrance. According to the AICC statement the increase in unused quota numbers "undoubtedly reflects the impact of the labor certification requirement."

It has been acknowledged by administration spokesmen and critics alike that the total effect of the labor certification restrictions will not be felt for a few years. When the present backlog of relatives is reduced, a drop in the total number of immigrants will, no doubt, take place as more and more people will require labor certification.

While the total immigration figure for this fiscal year hides the nature of the decrease and the impending reduction, it does not conceal the fact that the type of immigrants coming to this country has

changed in the last year. In 1965, before the new law went into effect, 80 percent of all immigrants, and this has been the average in the past, were nonpreference applicants. Under the new law, 75 percent of all immigrants coming to the United States have been sponsored by relatives already here.

I have delivered a criticism of one aspect of the new immigration law. I would like to repeat that, with the exception of section 212(a) (14)—the labor certification requirement—the new law is an excellent measure which has made advances on many fronts. I have not intended that my criticism should be directed entirely at the Department of Labor, which has borne the burden of administering the labor clearance provision. To a large extent, the responsibility must rest on the shoulders of the Congress, which was not able to foresee the difficulties which would arise in this area.

I would like to point out, in fact, that Secretary Wirtz and his Department have been doing their utmost to overcome the inherent administrative difficulties in this section. In most cases the authority to certify sixth preference applicants has been transferred to the regional offices. On July 9 a proposal to revise schedule A—a listing of all occupations open to immigrants—was announced. And on July 22, the Department proposed that a number of occupations be deleted from schedule B—a listing of all occupations closed to immigrants. These proposals and the suggestions submitted by interested organizations are being carefully weighed by the Secretary of Labor. I am confident that a workable formula can be devised whereby qualified immigrants whose skills we need will be welcomed in the United States with a minimum of redtape and without in any way diminishing the opportunities or wage rates of American workers or lowering the standards of licensed professionals.

There are several additional improvements which can be made. I would recommend that immigrants from the Western Hemisphere be subject to no more labor certification requirements than immigrants from other parts of the world. This would mean, in effect, that all immigrants from this hemisphere who have close relatives in the United States be exempt from the labor clearance, according to the standardized procedure for other countries. It is my belief that such a revision could be made administratively without requiring additional legislation. I urge the Department of Labor to consider this very carefully.

I would also hope that the recently appointed members of the Select Commission on Western Hemisphere Immigration study these problems in order to assure our Latin American and Canadian friends that we have not abandoned the letter or the spirit of the good neighbor policy.

THE CUBAN REFUGEE SITUATION

All of those concerned about immigration affairs have taken a special interest in the great number of people who have fled Castro's Cuba in recent years.

These people are being admitted to our country as parolees under section 212(d) of the Immigration and Nationality Act, and in accord with an agreement between the Government of the United States and Castro on November 6, 1965. They are not permanent residents and their time here does not count as legal residence for purposes of naturalization.

At the present time our Cuban refugee program is administered by the Department of Health, Education, and Welfare, ably assisted by several private organizations. I am thinking especially of the Catholic Relief Service, the Church World Service, the United HIAS, and the International Rescue Committee. Together they have performed with great distinction in the effort to accommodate Cuban refugees.

I am especially proud of the resettlement work which has been done in my own State. Since 1961, 6,695 Cubans have made their homes in Illinois. Administrators of the program have told me that according to their statistics, not one employable Cuban in the city of Chicago is on relief. This is real testimony not only to our own programs, but to the character and intelligence of the Cuban people who have shown that they have great contributions to make to our society.

One aspect of the Cuban refugee program is still of great concern to me, however. A Cuban refugee here on parole cannot qualify for permanent resident status and eventual citizenship without leaving his newly established American home to apply for an immigrant visa at an American consular office outside our borders. In a speech on August 10, the distinguished junior Senator from Massachusetts described the difficulties Cubans are having in gaining permanent and suitable employment and in taking advantage of the help offered by various Government programs. These difficulties have been caused, to a significant degree, by the requirement that the refugee leave the country in order to gain permanent resident status. The Senator from Massachusetts [Mr. KENNEDY] has introduced legislation to cope with what the Secretary of State has called a matter of the highest priority. The Kennedy bill, S. 3712, would eliminate the technical stipulation which permits aliens such as Cuban refugees to adjust their status only after they have left the country. I commend this bill to the attention of Senators. Although I am not a member of the Judiciary Committee, I understand that the bill has just been reported, and I hope it will be considered by the Senate and passed very soon.

PROBLEMS WITH OUR INTERNATIONAL EXCHANGE PROGRAMS

There is one last area, related to immigration, which I would like to discuss today.

Each year thousands of foreign students come to the United States for schooling in our colleges and universities under the various exchange programs. In return, many of our young people go abroad for similar purposes. I cannot stress too strongly the value of these exchange programs. If there is to be a

decrease in international tensions in the years to come, and we all pray that there will be, it will be due, to a large extent, to the mutual understanding fostered by our cultural and academic exchange programs.

The acknowledged purpose of helping foreign students come here to study is to allow them to return to their native lands and contribute to the development of those societies. Public Law 87-2656, which regulates the exchange programs, requires that these students return to their own countries for at least 2 years. Nevertheless there are many of these foreign students who, once here, decide to remain in the United States. And in some cases there are provisions which allow them to do so. On grounds of "exceptional hardship" to a citizen spouse or child, an exchange student may be granted a waiver of the 2-year foreign residence requirement. So, too, if he is involved in a "high priority program or activity of national or international significance involving the broad interests of the general public." But the success of the program requires that waivers should be kept to a minimum. Congress has always supported this view. It is not our intention to operate a brain drain. When students accept exchange visas, they should be as well aware of the program's obligations as they are of its opportunities.

The major operational weakness in the program has been that many people, particularly those in the medical professions, have been coming into this country on exchange visas when a more careful and honest appraisal of their intentions makes it obvious that they should come as immigrants or on "H"—temporary employment—visas.

The Immigration Service and the Department of Health, Education, and Welfare have, on the whole, done a superlative job of studying hundreds of waiver requests on their merits. Recently there has been a somewhat more realistic policy on evaluating exceptional hardship so that cases of unavoidable family separation are fewer than they were a year ago. But to indiscriminately waive the 2-year foreign residence requirement is inimical to the purposes of the program.

We are experiencing a tremendous increase in our need for doctors, nurses and medical technicians. This is due, in some measure, to the reluctance of the American medical profession to expand teaching facilities. A recent study by the Department of Health, Education, and Welfare stated:

The United States will avert a crisis in doctor supply only by continuous use of foreign doctors and interns. 15,500 graduates of foreign schools, mainly in India, the Philippines, Pakistan, and Cuba are working in the United States. Countless hospitals are utterly dependent on the 11,000 interns and residents from foreign schools now training and working in this country.

Many of these students have assumed positions in hospitals and clinics which are essentially permanent in nature. Therefore, when they are required to leave the country in accordance with the immigration law, a disruptive and often crisis situation develops.

The new amendments to the law should rectify this problem in the future. The quota number pool has eliminated the long waiting lists of preference applicants from small quota countries. Qualified physicians, nurses and medical technicians now can obtain third and sixth preference immigrant visas rather than exchange visas.

But those who are now here on exchange visas, who want to stay in the United States, who have no obligation to their own country, and whose skills are needed by American hospitals should be able to apply for waivers from the Department of Health, Education, and Welfare. Surely they are involved in a "high priority program or activity of national or international significance involving the broad interests of the general public."

I hope that I have not seemed unduly skeptical about our immigration policy. Since I have been in the Congress of the United States I have worked year after year for a reform in our immigration laws. Until last year my efforts were directed mainly toward reforming the quota system which had unfairly limited our immigration to a chosen few among nations and had done our country a great deal of harm in the eyes of foreign observers. Now that the new law has been passed, we have cleared a major hurdle in our struggle to make America the truly open society it has always claimed to be. I am very much pleased with the improvements we have seen since December 1, 1965. But our task is not yet completed. We must always be attentive to any inadequacy in our immigration laws and be willing to consider changes in the application of those laws that will make them more effective. I hope that my remarks today have been in that spirit.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11487) to provide revenue for the District of Columbia, and for other purposes.

NUCLEAR POWER-DESALTING PROJECT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1630, Senate bill 3807.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 3807) to amend Public Law 89-428 to authorize the Atomic Energy Commission to enter into a cooperative ar-

angement for a large-scale combination nuclear power-desalting project, and appropriations therefor, in accordance with section 261 of the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PASTORE. Mr. President, the Joint Committee on Atomic Energy on September 28, 1966 reported favorably S. 3807, a bill to amend the Atomic Energy Commission's fiscal year 1967 authorization act. S. 3807 would authorize the AEC to enter into a cooperative arrangement, in association with the Department of Interior, with the Metropolitan Water District of Southern California or others. The AEC would be authorized to participate in a large-scale, nuclear power-desalting project. The AEC's assistance would not exceed \$15 million and would relate in general to the aspects of the project concerning the interrelationship of nuclear power and desalting, and to the siting of the facility.

Our committee held detailed hearings on this project on September 14. A report outlining the background of this proposed project, the principal features of the proposed cooperative arrangement, and the benefits to the atomic energy program to be derived therefrom is before the Senate. I also note that the Senate Interior and Insular Affairs Committee on September 20, 1966, favorably reported a bill (S. 3823) to authorize the Department of the Interior's participation in this cooperative venture, and that the Senate passed this bill on September 21.

I will summarize briefly the following principal reasons why our committee believes this authorization should be granted.

The proposed arrangement should provide significant information, and at a relatively low cost to the AEC, which would assist materially in the future exploitation of nuclear power for applications other than the generation of electricity. Thus, this project represents a logical continuation of the national effort—which the Joint Committee and Congress have supported for two decades—to secure the full benefits of the peaceful atom.

This project should be of particular value in that it would afford an opportunity for demonstrating the effectiveness of nuclear technology in helping to solve one of mankind's oldest and most pressing problems—how to secure an ample supply of fresh water. Studies have indicated that utilization of nuclear power can result in very significant reductions in the cost of energy needed for large-scale desalting applications. Since the cost of energy represents such a large percentage of the cost of desalted water, nuclear power holds forth bright promise for those seeking to solve this age-old problem. The demonstration of this application of nuclear technology, in a large dual purpose facility producing substantial quantities of both electricity and fresh water, would be of vast significance in this country and throughout the world.

As Senators may know, over 50 percent of the new electric-generating capacity in this country announced this year consisted of nuclear powerplants. The speed with which nuclear technology has been developed for electric-power-production purposes has surprised many observers. There is no question in my mind that this achievement could not have been made but for the assistance provided by the Government in demonstrating this new technology through the construction of nuclear plants.

In recommending authorization for a dual purpose nuclear power-desalting project, the Joint Committee is following the time tested route used in developing nuclear reactors for the generation of electric power alone. The AEC and industry need to acquire a firm technological understanding of the effective coupling of a nuclear powerplant with large-scale process applications—initially with desalting plants—and to accumulate concrete data on the economic implications of dual process systems. The AEC has a base research and development program under which it is investigating the effects of coupling nuclear systems producing two or more marketable products. This proposed cooperative project would, however, by virtue of the actual design, construction and operation of a dual purpose system, provide vital information which simply cannot be obtained by paper studies and laboratory tests.

There is another very significant aspect of this project which warrants the AEC's support. I refer to the siting problems, including the geological and seismic considerations, which are involved in building and operating this facility. The present plan is that the facility would be located on a man-made island situated off the coast south of Los Angeles, Calif. The island would consist of about 45 acres of usable surface area, and would be connected to the mainland by a causeway. The island concept of siting powerplants and other installations offers a number of interesting new possibilities. In view of the increasing difficulty in securing acceptable sites for powerplants, successful resolution of the problems of island siting would provide needed flexibility from a variety of standpoints.

To recapitulate, our committee believes that the atomic energy program would benefit markedly through participation by the AEC in this cooperative venture. Much work has already been done to put this complicated project together. The degree of cooperation among the varying interests—including publicly and privately owned utilities and other bodies, and governmental organizations—is most impressive to me. The problems of this Nation are becoming so complex that, to an increasing degree, this type of cooperation will be essential for us to survive.

I also wish to take particular note of the great contributions that have been made by far-sighted legislators—including particularly the distinguished chairman of the Joint Committee, CHET HOLIFIELD—in helping to make this project a reality.

Our committee realizes that, assuming this project receives full congressional authorization, much intensive work lies ahead for the participants before definitive contracts can be signed to proceed with the work. However, the evidence presented to our committee indicates that the parties will continue to collaborate effectively.

Mr. President, I reiterate that S. 3807 has received the undivided support of the Joint Committee on Atomic Energy, and I urge the Senate to pass this bill today.

Mr. President, as the title indicates, this is an authorization which was reported without objection by the Joint Committee on Atomic Energy. I have discussed it personally with the ranking Republican member on the Senate side of the aisle, the Senator from Iowa [Mr. HICKENLOOPER], and he has no objection to the bill being passed today.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 89-428 is hereby amended by adding a new section as follows:

"SEC. 108. LARGE-SCALE COMBINATION NUCLEAR POWER-DESALTING PROJECT.—The Commission is hereby authorized to enter into a cooperative arrangement, in association with the Department of the Interior, with the Metropolitan Water District of Southern California, with privately, publicly, or cooperatively owned utilities, or others, for participation in a large-scale nuclear power-desalting project involving the development, design, construction, and operation of a desalting plant, back pressure turbine, and a nuclear powerplant or plants that will also be utilized for the generation of electric energy, in accordance with the basis for an arrangement described in the program justification data submitted by the Commission in support of this authorization for fiscal year 1967 without regard to the provisions of section 169 of the Atomic Energy Act of 1954, as amended: *Provided further*, That appropriations in the amount of \$15,000,000 are hereby authorized for the Commission's participation in this project; and the Commission's cooperative assistance shall pertain to the dual-purpose aspects of the project; the siting and related design of the plants; and the coupling of the desalting plant with the back pressure turbine and the nuclear powerplants; or to other aspects of the project pertaining to interrelationship of nuclear power and desalting."

DEPARTMENT OF TRANSPORTATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 3010) to establish a Department of Transportation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the pending business there be a time allocation of one-half hour on each amendment to be controlled by the mover and the Senator from Arkansas [Mr. McCLELLAN] and 3 hours on the bill, the time to be controlled by the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Washington [Mr. JACKSON] on the one side, and by the Senator from South Dakota [Mr. MUNDT] on the other.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, when the Government Operations Committee opened hearings on S. 3010 I stated that we would study this bill—that we would examine it carefully—and try to do a constructive job of revising and improving it. I fully realized that to do this would take time, perhaps a long time. The committee had this measure under active consideration for the better part of 6 months. We examined and considered this bill in detail, and the fact that the committee has largely accomplished what it undertook is attested to by the unanimous vote cast by the committee in ordering the bill favorably reported.

In all candor, however, the committee could well have used still more time in which to study all facets of the problems presented in the establishment and organizing of a department of this magnitude and complexity.

There is, however, general agreement that a Department of Transportation is needed, and indications are that this need will only intensify in the months and years ahead. So while the committee would liked to have had additional time in which to work on this measure, we concluded, in view of the action taken by the House, that we would get the bill out at this session. Accordingly, we labored diligently to get the best possible bill under those circumstances. We could not and did not, resolve each and every issue presented by this ambitious and complicated proposal in the time we had available. It is anticipated that revisions and additional work will have to be done in future sessions of Congress and that there will be need for reorganizations within this Department.

Mr. President, the committee held 9 days of hearings on S. 3010, receiving

testimony from 58 witnesses representing the executive branch, independent regulatory agencies, industry, labor, and the public. In addition, 36 exhibits and 50 statements and communications were incorporated into the hearing record which runs to 4 volumes. Since those hearings were concluded, seven executive sessions were held on this bill in addition to several informal conferences.

President Johnson, in his message on transportation stated:

America today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

It was the purpose of the Committee on Government Operations to determine if a Department of Transportation could be organized and established to meet that need. We sought to determine if a reshuffling of Government agencies and a transfer of power and programs would facilitate the realization of a coordinated transportation system. We were also interested in finding out if such a Department would promote economy and efficiency in the Government, and whether it could be so structured as to promote safety in public transportation on the highways, in the air, and on the sea.

I believe that the enactment of the bill as recommended by our committee will help us attain these goals.

The committee received and analyzed several hundred suggested changes and amendments, many of which proved meritorious. Indeed, we finally adopted so many amendments that it was necessary to report the bill with an amendment in the nature of a substitute.

The amended bill will centralize in one new Cabinet-level Department the responsibility for leadership in the development, direction, and coordination of the principal transportation policies, functions, and operations of the Federal Government. These activities are currently being carried on by almost 100,000 Federal employees in a dozen different departments, independent regulatory agencies and elements thereof, and involve annual expenditures of \$6 billion.

The bill will provide a focal point of responsibility within the Federal Government for all modes of transportation safety. And finally, the bill will provide a locus of responsibility that the Congress can look to for making legislative, budgetary, and other recommendations designed to improve our transportation system.

All of the major transportation agencies and functions of the Federal Government would be transferred to the Department of Transportation, except the economic regulatory functions of the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and the Federal Power Commission. The bill would also transfer to the Secretary, the modal Administrators and a newly created National Transportation Safety Board, transportation safety responsibilities which are now vested in agencies throughout the Government.

AGENCIES AND FUNCTIONS TRANSFERRED TO THE NEW DEPARTMENT

S. 3010, as amended, would transfer to the new Department the following agencies and functions:

First. The Federal Aviation Agency, in its entirety, along with all of its functions.

Second. The Bureau of Public Roads, Department of Commerce, together with the Federal-aid highway program which it administers, as well as its numerous other highway activities.

Third. The Office of the Under Secretary of Commerce for Transportation, together with all of the transportation functions now vested in the Secretary of Commerce and other officers and offices of the Department of Commerce under various statutes.

Fourth. The Federal Maritime Administration, Department of Commerce, with its operating and construction-differential subsidy programs for the United States Merchant Marine and shipping industry.

Fifth. The U.S. Coast Guard, Department of the Treasury, whose principal peacetime activities relate to transportation and marine safety.

Sixth. The Great Lakes Pilotage Administration, Department of Commerce.

Seventh. The safety functions of the Civil Aeronautics Board.

Eighth. Those functions of the Secretary of the Army, performed by the Corps of Engineers, which relate to anchorages, bridges, and tolls.

Ninth. St. Lawrence Seaway Development Corporation.

Tenth. The Alaska Railroad, now under the direction and supervision of the Secretary of the Interior.

Eleventh. The functions, powers, and duties vested in the Secretary of Commerce by the National Traffic and Motor Vehicle Act of 1966 and the Highway Safety Act of 1966.

Twelfth. Railroad and motor carriers safety laws, along with several miscellaneous functions from the Interstate Commerce Commission.

ORGANIZATION OF THE DEPARTMENT

The proposed Department would be headed by a Secretary of Transportation, an Under Secretary, four Assistant Secretaries, a General Counsel, and an Assistant Secretary for Administration. The principal operating agencies within the Department would be a Federal Aviation Administration, a Federal Highway Administration, a Federal Maritime Administration, a Federal Railroad Administration, and the U.S. Coast Guard. Each of these operating agencies would be headed by an Administrator, except for the Coast Guard which would continue to be headed by the Commandant. All of these principal officers, including the modal Administrators and a Deputy Administrator in the case of aviation, would be appointed by the President, subject to Senate confirmation.

The bill further establishes within the Department an independent, bipartisan National Transportation Safety Board, composed of five presidentially ap-

pointed members with tenure, subject to Senate approval.

The bill would also establish within the Department an independent, bipartisan Maritime Board, composed of the Federal Maritime Administrator, as Chairman, and two other members, appointed by the President, subject to Senate confirmation, to handle maritime subsidy matters involving quasi-judicial decisions.

ASSIGNMENT AND PERFORMANCE OF TRANSFERRED FUNCTIONS

In general, all of the functions, powers, and duties now vested in the transferred agencies, or in those from which such functions have been transferred, would be transferred to and vested in the Secretary of Transportation. However, the amended bill provides for further distribution of some of these functions by assigning them to the operating modal units, the National Transportation Safety Board, or the Maritime Board. The purpose of this arrangement was to vest in the Secretary the general administration and promotional functions, powers, and responsibilities incident to the operation of the Department, while the actual performance of some of these functions, especially those requiring expertise in the area of safety, are assigned to appropriate units within the Department.

By vesting sole authority for safety matters in trained experts—as proposed by this bill—the committee believes that any possible semblance of political influence will be eliminated. At the same time, this arrangement will allow the Secretary to devote his major efforts to the numerous other responsibilities attendant to the organization and operation of a Cabinet-level Department.

TRANSPORTATION INVESTMENT STANDARDS

As introduced, section 7(a) of S. 3010 placed upon the Secretary of Transportation the responsibility of developing and revising standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment. It then exempted four specific types of proposals for Federal investment from the standards and criteria to be established by the Secretary. The committee amended this to add water resource projects as a fifth type of proposal for Federal investment to the other four that are excluded from the criteria to be established by the Secretary of Transportation.

This is necessary since navigation is a major function of any total concept of water resource development and, therefore, other phases of water resource development should not be influenced by standards and criteria established for application to problems related solely to transportation.

The committee amendment also provides that standards and criteria developed or revised pursuant to this subsection shall not be promulgated by the Secretary until they are approved by the Congress instead of the President, as originally proposed.

This is intended to retain within the Congress its constitutional authority to regulate commerce among the several States. A blanket delegation of such widespread authority to the executive branch of the Government is considered unwise. The section, as revised, would place on the Secretary of Transportation the responsibility of developing the standards and criteria but would retain in the Congress the final responsibility for their approval—thereby maintaining the checks and balances contemplated by the framers of the Constitution.

The amendment would continue the authority of the Water Resources Council to establish standards and criteria for the evaluation of water resources projects where it was placed by the Congress just last year when the Council was established by section 101 of Public Law 89-80.

A definition of primary navigation benefits is also contained in the amendment. This is necessary to insure that future projects will be evaluated on the same basis that has resulted in the development of our truly great system of inland navigation that has served this Nation so well in peace and war. In November of 1964, the Corps of Engineers, under policy guidance of the Bureau of the Budget, issued new criteria for the evaluation of navigation projects. Not a single proposed waterway has met the test of these new criteria. The Bureau of the Budget finally recognized the difficulty of applying the criteria set forth in the directive of November 1964, and has just recently stated that they will be reversed. But the much needed expansion of our network of inland waterways is far too important to the national welfare to be subjected to the conceptual manipulations of the Bureau of the Budget. This is a matter within the proper purview of Congress, and my amendment to section 7 returns this prerogative to the legislative branch.

In this connection, it is important to note that the corps' experience with the development of commerce on major existing waterways has shown that the former method of evaluating navigation benefits which my amendment reinstates has resulted in ultra-conservative estimates of traffic growth.

Finally, section 7, as amended, expands the membership on the Water Resources Council to include the new Secretary of Transportation on matters pertaining to navigation features of water resource projects. The expansion of the Water Resources Council to include the Secretary of Transportation on these matters is consistent with the intent of section 101 of Public Law 89-80, which established the Council.

In conclusion, Mr. President, we need to review and restructure the organization of our Government wherever and whenever necessary if we are to move forward with the flow of progress. Federal programs and expenditures must be fully coordinated, and adequate provisions must be made for the development and implementation of new policies. That there is a critical need to do this now in the field of transportation is

clearly demonstrated, and appropriate action should be taken by Congress to achieve that end.

The creation of a Cabinet-level Department represents the highest form of Government reorganization. It is not a proposal to be lightly undertaken.

If our transportation system is to meet the needs of today and the demands of tomorrow, we must focus our efforts and attention at the Federal level in a Cabinet Department, as proposed by this legislation.

America is a nation on the move and we need the very best transportation system possible for our people and our goods. Your committee believes that the organizational structure for the new Department proposed in this bill will facilitate the Federal Government's contribution toward the realization of that goal.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Does the Senator feel that if this bill is approved by Congress and becomes law, it will again become possible to make progress in waterway improvement and development?

Mr. McCLELLAN. I believe so, with the amendment that the committee adopted—an amendment which I sponsored—which places the criteria for determining the benefits on the basis of comparison with presently existing rates for transportation by competing facilities, rather than what the rates might be after the navigation project was completed, and rates began to come down to meet its competition.

Mr. AIKEN. Of course, the formula or the policy in effect at the present time—

Mr. McCLELLAN. For the last 2 years.

Mr. AIKEN. Yes; for the last 2 years. That policy appears to give the railroads the power to block every single waterway improvement.

Mr. McCLELLAN. I think they do have that power, under the present policy.

Mr. AIKEN. I think they have done it, too.

Mr. McCLELLAN. They probably have done so, and I think it is wrong.

If we are to compare benefits in order to justify an improvement, the proper way is to compare them with existing conditions, not what the conditions will be after the competition has been established, and that competition begins to work against the competitors.

Mr. AIKEN. It certainly has been possible to block waterway developments, or even modest improvements in waterways, simply by the railroads making a promise—which might be expected at some times and places, but ought not to be permitted under Government policies—which they do not keep.

Mr. McCLELLAN. Yes. I point out another vast improvement which I think we have made in this bill: Under the original bill, as presented by the administration, the Secretary of the Department would formulate policies and submit them to the President, and then could initiate them and put them into effect.

Under the bill, as reported by the committee, the Secretary can take the leadership—in fact, he is directed to take the leadership—in formulating policy. But they have to come to Congress for approval before the policies can be put into effect.

Thus, particularly as to the waterways, we have dual protection. I think that is the way it should be. I think that is the only way to maintain checks and balances, if Congress is to perform its function of establishing policy by law.

Mr. AIKEN. I have noticed, in some of the studies that have been made of proposed waterway improvements, that the report and the study seem to be based on existing business along an unimproved waterway, without giving full consideration to the expansion of business which would occur along that route if the waterway were improved.

Mr. McCLELLAN. The formula set forth in this bill requires that that be considered.

Mr. AIKEN. Does the Senator think that would be an important consideration?

Mr. McCLELLAN. Well, we are going to make it the law, if we pass this bill.

Mr. AIKEN. That is one good thing about the bill, anyway, if it does what the Senator says it does.

Mr. McCLELLAN. It is intended to do that. I think everyone is satisfied that it would. We worked on this; we did not just take it for granted. The provisions of this bill, if I may say so, embody the views of the chairman, because I am vitally interested in the progress of the development of our water resources and inland navigation and transportation.

I may say that I took the position that the original bill would have to be corrected, and I think we have corrected it.

Mr. AIKEN. In the case of modes of transportation, we know from experience and observation that reasonable and fair competition makes business rather than destroying it.

Mr. McCLELLAN. Wherever there is navigation on the inland waterways, the prosperity of the entire areas concerned is enhanced, and everyone profits by it—the railroads and everyone else.

Mr. AIKEN. The ones who oppose progress the most frequently turn out to be the greatest beneficiaries.

Mr. McCLELLAN. That is true. That was found to be so with respect to the development of the hydroelectric power potential. The private power companies opposed such development originally, but today the development has resulted in a greater need and demand, and there are demands from more sources than ever for more power.

Mr. AIKEN. We have a good example of that in New England, where the private utility companies have vigorously opposed the Dickey-Lincoln School project in Maine. I do not know how practical that proposal is, although I think it is practical. But the very fact that it has had encouragement from Government circles has prompted the New England utility companies to move ahead and to progress, action which undoubtedly they would have postponed

for some years had it not been for the threat of competition.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield. Mr. BARTLETT. I should like to have one point cleared up. For a long while—I suppose from the very time the Coast Guard was created—appropriation requests for that service went directly to the Committees on Appropriations of the two Houses of Congress without any authorization being required. Two, three, or four years ago—not long ago, in any case—a bill was passed by the Senate and House and signed by the President requiring that Coast Guard appropriations be authorized by the Committee on Commerce of the Senate and the Merchant Marine and Fisheries Committee of the House. That put the Coast Guard on the same level as the military services, so far as appropriations are concerned.

It is my understanding that the chairman of the Committee on Commerce, the distinguished Senator from Washington [Mr. MAGNUSON], made representations to the Committee on Government Operations that he hoped that this practice would continue and that the Committee on Commerce would retain the authority to authorize appropriations for the Coast Guard in advance of the appropriations being made.

The question I should like to ask is: Will this be possible under the bill? Will there be any change in existing law?

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 27 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield the floor at this time to the distinguished Senator from Washington [Mr. JACKSON], who is a member of the committee. He will answer the question of the Senator from Alaska.

The PRESIDING OFFICER. How much time does the Senator from Washington require?

Mr. JACKSON. Mr. President, I yield myself such time as I may require to respond to the question and to make a formal statement.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, in answer to the question of the distinguished Senator from Alaska, the committee has provided that the status quo will be maintained insofar as the Coast Guard is concerned. Under the pending bill, it will be in exactly the same situation with respect to its existing authority under the Treasury Department.

That authority, in all respects, will remain the same.

I assume that practice would continue under the bill.

Mr. BARTLETT. I am happy to hear that. I know my pleasure will be shared by the colleague of the Senator, the senior Senator from Washington.

I think this authorization process has worked out much better, not only as far as the Coast Guard is concerned, but

also as far as the interests of the country are concerned, than the previous system.

I am glad that the committee saw fit to retain this power in the Commerce Committee.

Mr. JACKSON. Mr. President, as the Senator is aware, the Secretary of the Treasury has full authority and control over the Coast Guard in peacetime.

Mr. BARTLETT. That is correct.

Mr. JACKSON. As a matter of practice, however, the Coast Guard is operated for all practical purposes as a separate entity.

The committee in its report has recognized the tradition that the Coast Guard be under the authority and control of the Department of the Treasury. We have made it clear that we feel the practice over the years of giving certain specific identification to the Coast Guard is a sound practice.

It is our intent that this practice be continued in the new Department.

Mr. BARTLETT. However, the Coast Guard will be shifted in its entirety to the new Department. Is that correct?

Mr. JACKSON. The Coast Guard will be shifted in its entirety to the new Department without any substantive change in the existing situation as it relates to the Coast Guard.

Mr. BARTLETT. Mr. President, I thank the Senator.

Mr. JACKSON. Mr. President, S. 3010 will establish a new Department of Transportation, encompassing within its jurisdiction every form of transportation—on land, in the water, and in the sky above. The bill will affect the commuter on his way to and from work, the shipper and producer marketing his goods, the consumer, the traveler by private auto, bus, train, ship, and airplane, and management and labor.

The Department of Transportation with its over 94,000 employees would rank fourth in size in terms of civilian and military employment; and with its nearly \$6.3 billion for fiscal 1967 would rank fifth in size in terms of budget in the Federal Government.

Within its broad compass the new Department will have the operation of a railroad—the Alaska Railroad; the development of a giant jet aircraft—the supersonic transport; the construction and operation of a seaway—the St. Lawrence Seaway Corporation; the operation of airports—National and Dulles in Washington, D.C.; the enforcement of laws on the high seas and waters within U.S. jurisdiction—the U.S. Coast Guard, which operates as part of the Navy in time of war; the regulation of pilotage on the Great Lakes—the Great Lakes Pilotage Administration; the development and supervision of an Interstate Highway System—the \$4.5-billion-a-year Federal highway program, administered by the Bureau of Public Roads; highway beautification—the Highway Beautification Act; the operation of schools—the Merchant Marine Academy and the Coast Guard Academy; demonstrations in high-speed ground transportation—the High Speed Ground Transportation Act; merchant marine and shipping programs—the Merchant Marine Acts; the

operation of air navigation systems and the control of airspace—Federal Aviation Act; and, finally, safety—safety of railroads, motor carriers, buses, oil pipelines, airplanes, ships, and automobiles.

But even with all these duties, not all transportation will be included in the Department. Urban transportation will remain in the Department of Housing and Urban Development; transportation of mail will remain in the Post Office Department; transportation of military goods and personnel will remain in the Department of Defense; transportation of Government-owned agricultural commodities will remain in the Department of Agriculture; construction of navigation projects will remain in the Corps of Engineers; and the economic regulation of transportation will remain with the regulatory agencies—the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and the Federal Power Commission.

The new Department of Transportation, headed by a Cabinet-level Secretary, will centralize responsibility for coordination of our existing transportation programs and policies, and for the development of a transport system to meet the needs of the 21st century.

S. 3010 vests in the Secretary of Transportation the responsibility for providing general leadership in the development of national transportation policies and programs; making recommendations to the President and the Congress for their implementation; promoting and undertaking the development, collection, and dissemination of technological, statistical, economic, and other information relevant to domestic and international transportation; promoting and undertaking research and development in and among all modes and types of transportation services and facilities; promoting and undertaking research and development in noise abatement, with particular attention to aircraft noise; the development of standards and criteria for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation, with certain stated exceptions, including water resource projects; and the coordination of all of the farflung transportation activities of the Federal Government. The Secretary will also be vested with all of the administrative and promotional functions, powers, and duties transferred to the Department.

To aid the Secretary in performing these challenging duties, S. 3010 provides for four Assistant Secretaries without statutory assignments. These Assistant Secretaries will perform such duties as the Secretary may prescribe in the carrying out of his coordination and leadership functions.

S. 3010 also provides for four Administrators—one each for Aviation, Highway, Rail, and Maritime—to carry out policy and program matters relating to each particular mode. These four modal administrators, together with the Commandant of the Coast Guard, and the Administrator of the St. Lawrence Seaway Development Corporation, will exer-

cise duties in particular areas of transportation.

The establishment of both cross-the-board Assistant Secretaries and modal administrators should insure that the Secretary has assistance not only in his coordination and leadership duties, but also in his responsibilities for carrying out programs concerning particular modes of transportation.

Primary responsibility for safety within the Department would be vested in a National Transportation Safety Board. This Board would: First, determine the probable cause of all transportation accidents and report the facts, conditions, and circumstances of each accident; second, review on appeal the suspension, amendment, modification, or denial or any certificate or license issued by the Secretary or Administrator; and third, conduct special safety studies, issue reports on safety, and recommend safety legislation. The Safety Board would assume the present accident investigation, determination of probable cause, and licensing appeal functions of the Civil Aeronautics Board.

S. 3010, as introduced, vested all functions, powers, and duties transferred to the Department in the Secretary. This would include not only promotional and administrative functions, such as administering the Federal highway acts, but also quasi-legislative and quasi-judicial functions, such as establishing rules and regulations for the safe transportation of explosives.

The essence of quasi-judicial and quasi-legislative functions is that they involve matters which are to be determined on the record after affording interested persons an opportunity to present their views. Congress could, for example, establish rules and regulations for the transportation of explosives. This would not be practicable and instead, Congress has delegated this duty to an independent agency—the Interstate Commerce Commission—to make such rules and regulations according to procedures established under the Administrative Procedure Act.

The effect of vesting these duties in the Secretary would be that the initial decision would be made by a model administrator, and then an extra layer of appeal would be added—to the Secretarial level—before finality occurred. The committee considered that such quasi-judicial and quasi-legislative matters should be decided by the modal administrators, and that their decisions should be administratively final and appealable only to the courts, except certain certificate appeals which would go to an independent board—the National Transportation Safety Board—in accordance with present practice.

Two matters the committee considered to be of this quasi-judicial nature. The first is safety. Presently, rail, highway and pipeline safety are carried out by an independent agency—the Interstate Commerce Commission. Aircraft safety is carried out by two independent agencies, the Federal Aviation Agency and the Civil Aeronautics Board. Maritime safety is now carried out by the Coast Guard, which as a practical matter

functions as an independent unit within the Treasury under a Presidentially appointed Commandant.

S. 3010 as reported by the committee places responsibility for highway safety in the Highway Administrator; for rail and pipeline safety in the Railroad Administrator; and for aviation safety in the Federal Aviation Administrator. The decisions of these administrators as to safety would be administratively final. The Coast Guard, which would be transferred to the Department as a legal entity, would continue to operate under the Commandant, and handle maritime safety in accordance with present procedures.

The second matter involving quasi-judicial functions is maritime subsidy matters. As to maritime subsidy matters, there are requirements for hearings, and a history of independent boards and administrations handling these matters. S. 3010, as favorably reported by the committee, places in the Maritime Board the exercise of maritime subsidy matters, which involve hearings, and the Board's decisions are administratively final. Appeals, as provided by law, would be directly to the courts.

The placing of these duties in modal Administrators and the Maritime Board will free the Secretary to carry out the vital responsibilities and duties as to coordination, development of transportation policy, promotional functions, and administration entrusted to him by this act. It will also insure that these technical matters requiring the highest degree of expertise receive adequate attention, free from any partisan political considerations.

The removal of these duties leaves the Secretary vast responsibilities. He is directed to develop transportation policy, and to coordinate all Government transportation policies and programs. In the highway field, it will be the Secretary's duty to administer the nearly \$5 billion a year Federal-aid highway program; the Highway Beautification Act; and the recently passed Highway Safety and National Traffic and Motor Vehicle Safety Acts of 1966. The quasi-judicial functions entrusted to the Federal Highway Administrator concerning motor carrier safety involve approximately \$2 million a year and less than 200 personnel.

The Secretary's responsibilities in the railroad and pipeline field would be to carry out those duties now in the Secretary of Commerce involving high-speed ground transportation, research and development; and the duties now in the Secretary of the Interior involving the Alaska Railroad. The Railroad Administrator would carry out those duties transferred from the Interstate Commerce Commission concerning rail and pipeline safety.

The committee devoted serious and lengthy consideration to the assignment of aviation and maritime functions within the Department. The committee members desired to treat all quasi-judicial functions similarly within the Department, but the application of this principle to aviation safety and maritime matters was not easy.

Under the Federal Aviation Act of 1958, the FAA has been responsible for operating the air navigation system, regulating air commerce to promote its safety, and prescribing minimum standards for the certification of airmen and for design, materials, and workmanship of aircraft construction and maintenance. These functions, pertaining to safety, were transferred to and made the duty of the Federal Aviation Administrator to exercise within the Department. The other duties now carried out by the Federal Aviation Agency, such as administration of the Federal Airport Act; aircraft registration and title recording; duties under the International Aviation Facilities Act; and duties under the Washington National Airport Act, were vested in the Secretary.

The duties vested in the Secretary could, of course, be delegated by the Secretary to the modal Administrators, but they need not be. The duties statutorily assigned to the modal Administrators, such as those involving aviation safety, would be carried out by them and could not be transferred within the Department by the Secretary.

The Civil Aeronautics Board presently has statutory responsibility for investigating accidents involving civil aircraft, determining the cause or probable cause of such accidents, and reviewing on appeal certificate actions taken by the Federal Aviation Agency. This division of responsibility between the Federal Aviation Agency, which is charged with operating and maintaining air safety, and the Civil Aeronautics Board which has responsibility for investigation and determination of probable cause, has worked well according to the testimony presented to the committee.

S. 3010 as introduced would have transferred Civil Aeronautics Board duties involving probable cause and appeal certificate actions to the National Transportation Safety Board, and aircraft investigation to the Secretary, who would assign them to an Office of Accident Investigation. The committee determined that aircraft accident investigation should be kept independent in accordance with the present practice, and assigned this duty to the National Transportation Safety Board.

In the maritime field, the committee determined that maritime subsidy matters, which primarily are of a quasi-judicial nature, should be placed in the hands of a statutorily established Maritime Board. The Maritime Board would be composed of the Federal Maritime Administrator, as Chairman, and two additional members, with tenure, appointed by the President and confirmed by the Senate. The decisions of the Maritime Board would be administratively final, and appeals authorized by law would be directly to the courts.

The remaining matters, in accordance with the handling of other modes, could have been vested in the Secretary. Instead, it was decided to place these matters in the hands of the Maritime Administrator, but not to make his decisions administratively final. Some of these other matters, such as determining trade routes, do involve questions

which could be considered in the gray zone of quasi-judicial; but others, such as examining nautical schools, administering the Merchant Marine Academy, and certain national emergency powers, clearly do not. The various merchant marine matters are interrelated, and therefore it was decided to provide for their exercise solely by the Federal Maritime Administrator and the Maritime Board. It was not considered appropriate, however, to make the Maritime Administrator's decisions in such areas as national emergency functions and nautical school review administratively final.

This administrative assignment of functions, which the committee adopted, has strengthened the bill. It will entrust responsibilities within the Department to appropriate officials. Furthermore, it will free the Secretary to devote his time to providing this Nation with a coordinated national transportation to meet the needs of the coming 21st century.

Mr. President, before urging the Senate to act favorably on S. 3010, I want to pay special tribute to the staff members.

Mr. James R. Calloway, the staff director, led the team that handled these long drawn out hearings and the discussions that went on after the hearings were completed. His work was outstanding.

He was ably assisted in the Committee on Government Operations by Mr. Eli Nobleman, a longtime member of the professional staff.

Mr. President, the problems presented to the committee go to the heart of our national transportation policy. The need for a substantive understanding of transportation matters is obvious in this undertaking. We were fortunate, through the courtesy of the Commerce Committee chairman [Mr. MAGNUSON] to have the services of his chief counsel, Mr. Gerald B. Grinstein, who has had long and extensive experience in this field.

Mr. Stanton P. Sender, a staff counsel of the Commerce Committee, had the responsibility for advising and assisting on the substantive transportation problems. I must say that his experience at the Interstate Commerce Commission in the transportation field and on the Senate Commerce Committee for many years was of invaluable help. Mr. Sender's advice, counsel, and technical assistance and tremendous understanding of the broad and complex field of transportation made it possible, with the wonderful cooperation of the other members of the staff, to report the bill unanimously to the Senate.

Mr. President, I urge the adoption of S. 3010 as favorably and unanimously reported by the committee.

(At this point, Mr. RIBICOFF assumed the chair.)

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. On page 68 of the bill, line 7, the following appears:

The standards and criteria for economic evaluation of water resource projects shall be

developed by the Water Resources Council established by Public Law 89-80. For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway.

Am I correct in understanding that to get feasibility under the criteria, potential business on the waterway shall be taken into consideration?

The reason I ask that question is that under the present formula and the present methods, investigators will go to the established companies who are located perhaps several miles away from the waterfront, for the simple reason that there is no improved waterway they can use. They naturally say they cannot use them because they know if the waterways were improved they would have competition and would have to locate on it, or relocate themselves.

I am afraid that some studies have been made only of existing shippers who do not want competition as to the proposed improvement in a waterway.

Mr. JACKSON. I can only answer the question this way. The entire burden of section 7 of the bill is to maintain the existing law. The language as originally presented in the administration bill would have changed substantially the requirements relating to water transportation. This grew out of a 1964 Bureau of the Budget directive.

As the distinguished Senator from Arkansas [Mr. McCLELLAN] pointed out in his opening remarks, we did not accept the administration language as presented to the committee. We elected to maintain the status quo.

I wish to emphasize this. There is no change in the standard that the Corps of Engineers, or any other agency charged with that responsibility, would apply.

I assume that takes care of recently contemplated matters, but I hesitate to predict that.

Mr. HARRIS. Mr. President, will the Senator yield to me briefly?

Mr. AIKEN. On page 69 there is set forth the method of evaluation. I am glad that the committee did not accept the administration recommendation because under the policy of the last 2 years the improved waterways have been something to dream about but not to expect.

Mr. JACKSON. That was a policy, but not a statutory policy.

Mr. AIKEN. I understand that.

Mr. JACKSON. I yield to the Senator from Oklahoma [Mr. HARRIS], who can respond more definitively as to the existing state of the law at the present time. This is what we are really talking about.

Mr. HARRIS. I thank the Senator from Washington.

As a member of both the Committee on Government Operations and the Committee on Public Works, and as cosponsor with the distinguished Senator from Arkansas [Mr. McCLELLAN], of title VII, as it now stands in the bill, I would respond to the Senator from Vermont by saying this.

Before November 1964, as the Senator well knows, the Bureau of the Budget used what was called the "current rate"

theory on criteria for navigation projects. After that, they went to a "compelled rate" theory, so that after November 1964, we have built no new navigation projects; no new ones have been authorized.

Since we have been considering title VII in the Committee on Government Operations, the Bureau of the Budget has now issued another letter in which they have gone back to the "current rate" theory. That is, cost-benefit ratio would be based upon the savings on freight on the basis of current freight rates, with these two exceptions.

First, the Bureau of the Budget letter says that the Bureau intends to continue to study the matter, which sounds very ominous, because what they did by letter they can change by letter. Furthermore, when they define "current rate," they can go off as far as they want to, to another part of the country and use rates being charged a long way from where the project is to be built. We think it should be written into the statute that cost-benefit ratio will be based on current rates, and current rates should be defined to be those rates in the actual area where the navigation project is proposed. That is what this would do.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the marked portion of page 14 of the committee report, which sets forth the explanation of title VII of the bill and also sets forth the finding of the committee that current rates should be defined as rates presently being charged in the actual area of the proposed navigation project.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The fourth amendment would continue the authority of the Water Resources Council to establish standards and criteria for the evaluation of water resource projects where it was placed by the Congress last year when the Council was established by section 101 of Public Law 89-80. In addition, it would set forth a definition of primary navigation benefits which the committee deemed necessary in order to insure that future projects will be evaluated on the same basis as those which have resulted in the development of this Nation's outstanding system of inland navigation which has served so well in peace and war. After providing that the standards and criteria for economic evaluation of water resource projects shall be developed by the Water Resources Council, the amended language provides:

"For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway; where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the economic growth of the area."

The fifth amendment which merely expands the membership of the Water Resources Council to include the Secretary of Transportation in matters pertaining to navigation features of water resource proj-

ects, is entirely consistent with the intent of section 101 of Public Law 89-80, which established the Council.

In connection with the definition of primary direct benefits, contained in the fourth amendment and set forth above, the committee desires to make it abundantly clear that in estimating navigation benefits, the Corps of Engineers is to use the rates prevailing in the area under consideration in the survey report and is not to introduce a freight rate applied in some other area, even though it may have limited application in the transportation of commodities from other regions to an area that could be served by the proposed development.

Mr. AIKEN. I wish to commend the committee for putting this requirement into the law.

I am prompted to ask these questions because of one situation which I have in mind where I believe, under the old formula and study, it was shown that the benefit-to-cost ratio really was about 0.83-to-1, without taking into consideration the inevitable increase in business in the communities along the route which would, in my judgment, bring it to an economic level.

Mr. JACKSON. May I comment on that point?

Mr. AIKEN. I would be happy to have the comment of the Senator.

Mr. JACKSON. To be specifically responsive to the question of the Senator from Vermont, I wish to read from page 27 of the committee report:

The estimate of traffic that would use the waterway is to be based on such freight rates, taking into account projections of the economic growth of the area.

That is simply a codification of existing law and practice prior to the directive that the Bureau of the Budget issued in 1964.

Mr. AIKEN. I wish to ask one further question. Does that take into consideration an increase in recreational traffic as well as what we call heavier cargo, because the case I have in mind would enjoy a great recreational increase?

Mr. JACKSON. Under the legislation we have passed, I will answer this way: The corps, of course, in multiple-purpose projects can include in its program recreational benefits. I cannot answer the question of the Senator as to the traffic on the river of a recreational nature. But it would be commercial and noncommercial. All of that, of course, is tied in with the benefit-to-cost ratio of the project.

Mr. AIKEN. Does the Senator agree that the recreation potential should be taken into account?

Mr. JACKSON. I think it should, certainly, because it is commerce.

Mr. AIKEN. Whether or not there would be both freight and recreation?

Mr. JACKSON. Yes.

Mr. HOLLAND. Mr. President, I think I understand the situation, and I am happy that it has developed as I think it has. I should like the Senator from Oklahoma [Mr. HARRIS] to attend to my questions so that he, too, may reply if it becomes appropriate.

Do I understand correctly that the system by which the benefit-to-cost ratio was established, prior to the unfortunate order of the Bureau of the Budget in

1964, which had operated well and successfully for many years but was set aside by the Bureau of the Budget, will now become the rule of operation in determining the benefit-to-cost ratio of proposed waterway development projects under this legislation, so that no Bureau of the Budget or any other administrative office can change it?

Mr. JACKSON. We have not only negated the 1964 directive of the Bureau of the Budget but we have, by statute, also written into section 7 what the criteria are, should be, and must be, in connection with water navigation projects. Much of that, in the past, has been of a policy nature. We have now, by statute, made clear that we insist the policy be that of the executive branch prior to the directive of the Bureau of the Budget of 1964.

Mr. HOLLAND. I congratulate the Senator from Washington.

Mr. JACKSON. It goes beyond what it was previously.

Mr. HOLLAND. My understanding is that after a great many of us, including the Senator from Washington, the Senator from Oklahoma, the Senator from Vermont, and others, had protested vigorously against the change in policy which resulted from the order of the Bureau of the Budget in 1964, the Bureau of the Budget recently went back to the program by supplanting the order of 1964 and reinstating the old policy.

I have felt that it would be wise to make the old policy permanent for all purposes by putting it in the act and preventing the Bureau of the Budget, or any other executive office or agency from changing it by arbitrary fiat. Do I correctly understand that that is the provision of this legislation?

Mr. JACKSON. The Senator is correct.

Mr. HARRIS. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. HARRIS. In answer to the Senator from Florida, and also for purposes of making the record clear, I agree 100 percent with what the Senator from Florida has said.

The authority over new navigation projects would have been fragmented in the original bill as introduced. Now, under this bill, it will remain with the Water Resources Council and the Corps of Engineers. We have written into the statute the criteria we support, and we have defined the criteria in the report. This is far superior, I think, to what the other body wound up with by striking title VII altogether. I would say that title VII now is a real "plus" in the bill. It is an integral part of my support of the bill—that is, what we have written into it. It is also what the Senator from Arkansas [Mr. McClellan], who is a vigorous supporter of the amendment, wants in the bill. I think that this is a very good title VII, and it is absolutely essential that the Senate and the conference keep it unchanged.

Mr. HOLLAND. Let me express not only my own appreciation of this, but because the distinguished chairman of the Subcommittee on Public Works of the Appropriations Committee, the sen-

ior Senator from Louisiana [Mr. ELLENBER], has been deeply concerned with the same subject, and I am sure that he too will be highly appreciative of the change. I express publicly my appreciation to the Senators who have brought it about.

Mr. RANDOLPH. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to my friend from West Virginia.

Mr. RANDOLPH. I am grateful for the opportunity to affirm the position of the distinguished Senator from Florida, who formerly served on the Public Works Committee with great diligence and effectiveness. I also commend the chairman and members of the Government Operations Committee for their action with regard to the criteria on water resource development.

Mr. HOLLAND. Let me ask another question.

Mr. JACKSON. Certainly.

Mr. HOLLAND. There are, of course, a number of regulatory agencies. I think, for instance, of the CAB, of the ICC, and of the FPC, which have certain authority which used to be exercised directly by Congress in connection with the handling of various activities in commerce.

I assume, from what I have read from the report, and from what I was able to hear of the distinguished Senator's statement, that the continued operation of those functions, which are really delegated by Congress to agencies which are performing functions performed in the early days of our country by Congress, will be continued in those regulatory agencies which are really congressional agencies rather than executive agencies; am I not correct?

Mr. JACKSON. The Senator is substantially correct. The transfer, of course, of the accident investigation functions of the CAB—

Mr. HOLLAND. That is not a part of the legislative delegation.

Mr. JACKSON. That is correct. Those agencies to which the Senator has referred remain outside the proposed Department of Transportation and they have not been affected by the proposed bill.

Mr. HOLLAND. I again express my appreciation, because, while I favor the simplification of this whole field by unification of executive factors relative to transportation into one agency, where they can be handled as they should be at one place, I would be reluctant ever to see functions which are really legislative delegated to an executive agency, and this will be a Cabinet agency.

Mr. JACKSON. That is correct.

Mr. HOLLAND. It should handle only those functions which are executive. I am happy, indeed, to hear from the distinguished Senator that the legislative functions heretofore assigned as a matter of convenience and, indeed, of necessity by Congress to the various regulatory agencies, insofar as those functions relate to transportation, have been safeguarded and continued in independent agencies which will continue to function along legislative lines.

Mr. JACKSON. The Senator is correct.

Mr. SALTONSTALL. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. SALTONSTALL. I appreciate the Senator's yielding to me. I have been reading page 7 of the committee report with relation to the Federal Maritime Administration and, of course, we are very much interested in that in Massachusetts, on account of the port of Boston and the building of ships in our State. As I read the report, and from what I am told, the maritime industry—both the management and the unions—are now satisfied with the form of the bill as it has been reported; am I not correct?

Mr. JACKSON. I should like to be able to answer that in the affirmative. I think they are in substantial agreement with the bill as reported, but they would like to see either a completely independent maritime agency within the Department of Transportation, or maritime completely exempted from the Department.

Obviously, we could not do that because then there would not be any point in having a Department of Transportation.

What we did, in short, was to set up a separate maritime board which would handle quasi-judicial matters.

The board would have three members, and the Federal Maritime Administrator would be chairman and an ex officio member of the board. The other two members would be appointed for terms of 4 years each on a bipartisan basis. The decisions of the board would be administratively final, and appeals from the board would go directly to the circuit court; they would not go through the Secretary.

In short, we have tried to separate administrative functions from rulemaking decisions, which are of a quasi-legislative nature. On quasi-judicial decisions, appeals would be directly to the circuit court.

An exception would be made in the case of Federal Aviation Agency certificate actions, which could be appealed to the National Transportation Safety Board. In general, that is the line of demarcation that was made in the bill.

Mr. SALTONSTALL. So the administrative functions would be performed in the Department of Transportation by administrators, but quasi-judicial functions would be handled by a board and would be entirely separate from the administrative functions?

Mr. JACKSON. There would be a separate, autonomous board; and any appeal from that board would be directly to the courts. That is to say, in accordance with the Administrative Procedure Act, appeals would be to the circuit court. Such appeals would not go first to the Secretary. At the present time, appeals could go first to the Secretary of Commerce. As I stated in my opening remarks, that is an added layer of hindrance in the appellate process. The members of the committee—and they were unanimous—could see no reason to burden the Secretary with these functions.

The Secretary has the enormous task of developing transportation policy which we, by this legislation, have charted for him. I should say he would have his hands full.

Mr. SALTONSTALL. In establishing the new department, the Secretary is given some powers—that is, in a broad way—over all of the agencies, so he will not be merely a figurehead at the top of a group of independent agencies?

Mr. JACKSON. To give one illustration, the Secretary will supervise the entire highway grant-in-aid program, which amounts to about \$4.5 billion out of a budget of a little less than \$6 billion. He will have substantial administrative responsibilities. I believe that the distribution of responsibilities that we have provided for makes sense. The Secretary should not be burdened with all the detailed problems that arise from quasi-judicial responsibilities. We have tried to make that fundamental line of demarcation. The bill as originally presented to us vested all these responsibilities in the Secretary. The committee has tried hard to do a constructive, thorough job, in the hope of writing a sound bill.

Mr. SALTONSTALL. I am particularly interested from a maritime point of view; and, from what the Senator has said, I understand that, with respect to the broad, general language, both management and the unions are not opposed to any particular section of the bill.

Mr. JACKSON. They feel that this is an improvement. They would like to have it completely independent. The House has exempted it.

If I may refer to one other point raised, concerning the authority of the Secretary, I should say that the real purpose of the legislation is to place in the hands of a Cabinet officer the responsibility and duty of hammering out a national transportation policy.

Mr. SALTONSTALL. We need one.

Mr. JACKSON. We need one. All administrations have wrestled with this problem. Congress has wrestled with it. We do not have a well-coordinated national transportation policy. This proposed legislation, if enacted into law, will give that opportunity to a Cabinet officer.

I hasten to add that he will have the opportunity of hammering out a policy which he must present to Congress for implementation. We have not given the Secretary authority to rewrite the transportation laws. But we have imposed on him the top priority and duty of, in due time, presenting to Congress a well coordinated and, I hope, useful, long-range transportation policy. We are hopeful he can do it. If he does, he will have accomplished the solution to one of the great problems that faces us, which is like the task of solving the water problem.

As President Kennedy said, the man who can solve the water problem will be entitled to two Nobel prizes, one in the field of science and one for peace.

We have the same kind of problems in the transportation field as we have with respect to diversion of water, water rights, and so forth.

Mr. SALTONSTALL. The Senator and I are both members of the Armed Services Committee, and we know that when we established the Unification Act we left it to the future to improve on it and gain experience under it. In that respect, that is what the Senator has said about this new Department.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Maryland.

Mr. BREWSTER. I wish to make one brief comment on the colloquy about the maritime industry. Yes, there is substantial agreement between management and labor as to the need for a maritime policy, but the industry thinks the administration as established by the proposed Department of Transportation should have more independence than is now presented.

At a propitious time later, I shall offer some amendments to endeavor to bring that about.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I call the Senator's attention to the part of the bill on page 68 which refers to an apparent change in standards and criteria for economic evaluation of water resource projects.

It is my understanding that this would reverse what I think is a far more accurate method of computing the benefit-cost ratio for waterways. The language would open the old pork barrel to literally billions of dollars—over the years—of unjustified and wasteful waterway projects. I want to make sure I understand the meaning of the language.

I read from page 68, starting on line 13:

Where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the rate of growth.

I made a speech on June 20 on the floor of the Senate in which I went into great detail extolling the provisions of the new evaluation system used by the Corps of Engineers. I ask unanimous consent that the text of that speech be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CORPS OF ENGINEERS NEW PROCEDURES FOR WATERWAYS GREAT IMPROVEMENTS

Mr. PROXMIRE. Mr. President, in recent months, several Members of Congress have criticized the Corps of Engineers new and improved procedures for estimating the benefits to be derived from waterway projects. As you know, I am no stranger to criticizing the corps, since I have not hesitated to attack the corps in the past for rigging the benefits that can be expected from public works projects in order to insure congressional approval. The corps is under intense pressure from Congress to recommend projects which are primarily intended to inject massive Federal funds into a Congressman's district or State. Often these projects could not be justified

unless phony benefit-cost standards were used. For instance, Prof. Robert Haveman of Grinnell College made a study of 147 projects in 10 States between 1947 and 1962 involving some \$2,664 million. He applied the techniques of highly qualified economists to these projects. Using these techniques he found that 63 of these 147 projects, representing over a billion dollars in Federal funds or 44.2 percent of the total, should never have been undertaken.

Now that the corps has implemented a system which more accurately measures future benefits it is only natural that it should come under congressional fire from legislators who are threatened with the loss of multi-million-dollar projects. Thus, I believe it is high time someone spoke out in support of the corps efforts to spend our tax dollars wisely, and I shall therefore reply to the recent congressional criticism. I shall show, first, that the corps new procedures for estimating benefits are an improvement because they are more in line with accepted economic practice. Second, I shall respond to the specific points raised by the congressional critics.

I. BENEFITS MUST BE ESTIMATED IN ORDER TO MAKE MAXIMUM USE OF RESOURCES

Mr. President, from the standpoint of society as a whole, the goal of all economic ventures is to obtain the maximum amounts of goods and services at the lowest possible cost of resources. For instance, it would be senseless to build four waterways to do an amount of work that can be done equally well by one waterway: in this situation four water projects vastly increase costs but provide no additional benefit. In the same way, it makes no sense to build even one waterway if alternative modes of transportation can do the job with a smaller expenditure of society's resources. In order that proposed waterways shall conform to this goal of maximum production of goods and services at the least cost in resources, it is necessary to know, first, the amount of traffic that will be carried by the waterway and, second, whether this traffic will be carried more cheaply by water than by alternative modes of transportation. For if we determine both the amount of traffic to be carried and whether it will be carried most cheaply by water, we can determine whether the proposed waterway or an alternative mode of transport will do the work at least cost.

II. THE FORMER PROCEDURES OVERESTIMATED THE AMOUNT OF WATERWAY TRAFFIC

Now it is a certainty that the amount of traffic that will move via water depends in great part on the water rate as compared to the rate charged by competing modes of transportation, such as the railroads, the mode to which I shall refer here. Before altering its procedures, the corps used to estimate the amount of traffic accruing to a potential waterway by comparing the current water rate with the current rail rate. The corps would then calculate the benefit accruing to this waterway traffic by again using the difference between the current water and rail rates. To illustrate these bygone procedures, assume that at current rates shippers pay \$2 to move a unit of traffic via water and \$3 to ship it via rail. The corps would calculate that the difference in rates would cause a certain amount of traffic to shift to water transportation—let us assume it would be 100 units. Each of these 100 units would save the \$1 difference between the water and rail rates, so that the total benefit accruing to the water traffic would be \$100.

However, as many observers pointed out, these old procedures were seriously defective for at least two reasons. First, it was erroneous to use current rail and water rates to estimate the traffic that would move by waterway in the future. For both railroads and water carriers are undergoing technological innovations which imply that in future

years rates will be lower and that there will be a smaller spread between water rates and rail rates. Moreover, if and when a waterway comes into existence, rail rates will become lower entirely aside from improvements in technology. This is so because railroads charge what the traffic will bear, a method of pricing which, in the absence of competition, creates a very large gap between the railroad's costs and the rates it charges. When a waterway comes into existence, the competition it provides forces the railroad to bring its rates more into line with its costs: for example, the rail rate on petroleum shipments from Portland, Oreg., to Florida fell by 38 percent after a competing portion of the Columbia River became navigable. Thus, since technological improvements and waterway competition insure that future rates will be closer to water rates than is true currently, the former corps practice of using current rates to estimate future waterway traffic resulted in an overestimation of such traffic. In terms of our previous example, where there was a \$1 difference between current rail and water rates and where the spread caused 100 units of traffic to move via water, in the future there will be a smaller spread between rail and water rates and, everything else being equal, less than 100 units will move via water.

III. THE FORMER PROCEDURES ALSO OVERESTIMATED THE BENEFIT ACCRUING TO WATERWAY TRAFFIC

In addition to overestimating the amount of traffic which would move via water, the corps' old procedures also overestimated the benefit accruing because traffic is carried by water rather than rail. In this connection, it must be understood that real social benefit only arises if the water project provides its service at a lower cost of real social resources. In other words, there is benefit only if less steel, concrete, labor, management skill, and so forth are used up in carrying traffic by water than in carrying traffic via rail. Therefore, the ideal way to measure benefit would be to measure the value of steel, concrete, and other costs required by water transportation and compare this with the value of the steel, concrete, and so forth, required by rail transportation.

However, the plain fact of the matter is that at present there is no satisfactory method for producing a sufficiently exact comparison of real water and rail costs. It is necessary, therefore, to fall back on the best substitute method available: benefit—or the saving in real costs—is computed by comparing water rates with rail rates.

There was, however, a threefold problem with the corps' previous procedure of comparing current water rates with current rail rates to estimate future benefit. First, since the amount of traffic was overestimated, so was the benefit. Second, since, as we have seen, charging what the traffic will bear causes current rail rates to be far above current real rail costs, the amount of future cost saving is exaggerated when the current water rate is subtracted from the bloated current rail rate. Third, since technological progress will, in the future, diminish the spread between real water costs and real rail costs, the amount of future cost saving is even further exaggerated by comparing current water and rail rates to estimate future benefit. In terms of our previous example, where the current water and rail rates were \$2 and \$2 respectively, the old procedures exaggerated benefit because, first, less than 100 units of traffic will move via water; second, the spread between the current \$2 water rate and the bloated current \$3 rail rate is greater than the spread between current costs; and third, in the future the spread between real costs will be even less than it is today.

I should now like to briefly recapitulate some of the salient points in the foregoing. Formerly the corps used current water and

rail rates to estimate the future traffic and benefits of a proposed waterway. However, because of technological improvements in rail travel as well as competition from the proposed waterway, in the future there will be a smaller spread between rail and water rates. There will also be a smaller spread between real rail costs and real water costs. For these reasons, the use of current rates to make predictions resulted in overestimating both the amount of future traffic, and the amount of future benefit accruing to waterways.

IV. THE NEW PROCEDURES MORE ACCURATELY ESTIMATE WATERWAY BENEFIT ACCRUING TO THIS TRAFFIC

By its recent change in policy, however, the corps has adopted more accurate and economically appropriate procedures for making estimates. The corps now estimates the amount of traffic that will move on a future waterway by comparing the estimated future water rate with the estimated future rate which railroads will charge to meet the water competition—referred to as the water compelled rail rate. It then measures benefit by the difference between the future water rate and the rail rate that would have been paid in the absence of waterway competition—the nonwater compelled rail rate. In terms of our previous example, one might find that the future water rate will be \$1.75, the future water compelled rail rate will be \$2 and the future nonwater compelled rail rate will be \$2.50. Under these conditions, 50 units of traffic will move by water and each unit will benefit by the difference between the \$1.75 future water compelled rate and the \$2.50 rail rate that would have been paid in the absence of a waterway. I note parenthetically that the future nonwater compelled rail rate of \$2.50 is lower than the current rail rate of \$3 because of technological improvement, but higher than the future water compelled rail rate of \$2 because of the lack of water competition.

Mr. President, the corps' new procedures are far better than its old ones because the present procedures are based on more accurate approximations of future traffic, rates, and costs. We know that rates will not remain static and that current rates therefore do not reflect future ones. This means that a railway charging \$3 to move a unit of traffic today would only charge, say, \$2 in competition with a waterway, both because of technological advances and competitive pressures. The corps, recognizing this built-in defect, is now using future rate estimates in arriving at both the amount of traffic which will move on a proposed waterway and the benefit to the national economy of the waterway. As a result, estimated waterway traffic, together with estimated benefits from the waterway, are substantially less. The corps' new methods insure that, in making its decisions, Congress will have a much better idea of the value to society of its appropriations. Clearly, it is much better to calculate traffic and benefit by using reasonable predictions of future rates, as the corps now does, than to use current rates, as the corps formerly did, and as many congressional critics say they will continue to do.

Mr. President, I shall use the few minutes remaining to answer congressional criticisms.

A. DO THE NEW METHODS CAUSE UNPREDICTABILITY?

One criticism raised in Congress recently is that to estimate future traffic and rates is to introduce highly unpredictable elements. There are two clear answers to this criticism. First, although the projection of future rates and traffic may be subject to some error, the traffic rate estimates advocated by the congressional critics is predictably inaccurate in the extreme. For the critics would, as the corps formerly did, use current rates to predict future traffic and benefits. Thus, the critics would use figures

which are sure to be inaccurate because future rates will, as previously said, be different from current ones. Though the critics would be measuring existent realities, they would simply be measuring the wrong things. Clearly, then, the corps' reasonable predictions of future rates are sure to be more accurate than the critics' methods would be.

The second answer to the criticism is that the existence of difficulties in making estimates is not unique to the projection of rates and traffic. Projections of the future level of production, income, employment, and population all involve difficulties, yet these projections must be made if the Nation is to maximize economic benefit from the development and allocation of its resources. Just as we predict future production, income, and so forth, to make rational decisions in the public interest, so too must we predict future rates and traffic to make rational decisions.

B. CAN RAILROADS DEFEAT WATERWAYS BY TEMPORARILY LOWERING RATES?

Another point made by the critics is that, by temporarily lowering its rates on the carriage of specific goods between specific points, a railroad faced with potential water competition for the carriage could reduce the corps' estimated benefits of the waterway, thus causing the water project to appear uneconomic. The railroad could then rescind its rate reduction after the waterway has been rejected. Here again, however, there are two answers to the critics. First, in projecting future rail rates between two given points, the corps no longer uses the current rail rates between those points. Thus, a reduction in current rail rates between the two points could have no effect on the corps' projections—indeed, it is only under the corps' previous procedures, advocated by congressional critics, that a reduction in current rail rates between the two points could diminish the projected benefits of a waterway. Second, the critics fail to recognize that railroads cannot raise and lower rates at will. For instance, if a railroad could demonstrate to the Interstate Commerce Commission that its costs have been sufficiently decreased to justify a reduction in rates, the road would be hard pressed to later demonstrate that rates must be increased.

C. WILL PROJECTS BE APPROVED?

A third congressional objection to the new procedures is reflected in the claim that no new projects have been approved since November 1964. This criticism is both untrue and irrelevant. Reapproval of the Kasaskia project in 1965 stands as evidence of its untruth. It is irrelevant for several reasons. First, to rest one's case on the proposition that a return to the old method is required because it places the seal of approval on more projects is to deny the wisdom which the Congress displayed some 30 years ago in requiring benefit-cost analysis on public works projects. Indeed, the very purpose of benefit-cost analysis is to eliminate those projects which imply a waste of the society's resources. To plead for a return to an erroneous measurement technique because it yields a greater public works program is, quite frankly, to plead for an increase in uneconomic and wasteful government expenditures. Another reason why the objection is irrelevant is that, to a substantial extent, the lack of other approvals is not due to the new method of computation, but to the fact that the projects currently under study are very large ones requiring lengthy analyses which have not yet been completed. These projects should not be submitted for approval until their analyses are finished. And it is worth noting that one project whose analysis recently was completed—the central Oklahoma project—did not even qualify under the old method of computation.

D. WILL TRAFFIC EXCEED ESTIMATES?

A fourth congressional criticism is that in the past the amount of traffic carried via waterways has far exceeded the most liberal estimates. This criticism is again irrelevant. In the past the corps generally has used a short-term calculation of future traffic. It has used a long-term estimate only in doubtful cases where such an estimate was necessary to more adequately ascertain whether benefits would exceed costs. It is not surprising that in the vast majority of cases the long-term traffic, while it would not have exceeded a long-term estimate made under the old procedures, did exceed short-range estimates under those procedures. Now, however, the corps is using long-term estimates based on long-range projections of factors such as population, production, and income, so that it is very unlikely that actual traffic will consistently exceed estimates.

E. WILL ECONOMIC DEVELOPMENT BE STIFLED?

The final congressional criticism is that the corps' policies are generally shortsighted and that this is yet another instance of such myopia. The development of waterways, so goes this argument, will increase the development of industry and agriculture and will thereby increase the business accruing to alternative means of transportation, including the railroads. Again, this criticism is an erroneous one. First, it is the unusual situation in which industry and agriculture will not develop in the absence of a waterway. Second, and more importantly, it is not only the interests of the region which are at stake here, but rather the interests of the Nation. To the extent that a waterway development stimulates economic activity in one area when such activity would otherwise have developed in another area, the increased activity in the region is not a national benefit. Growth has simply been diverted to the region with the waterway from somewhere else in the country. When one region gains \$1 million at the expense of another, the Nation experiences no net gain. Third, the question is not whether one mode of transport will make more money, the question is how to carry traffic at the cheapest cost of social resources. Finally, to the extent that, by generating industry and agriculture, the waterway will carry traffic which would not otherwise develop, this is reflected in the benefit estimate.

SUMMARY

Mr. President, I believe the foregoing amply demonstrates that the corps' new procedures are much better ones, since they are better ways of determining whether society will obtain the maximum in goods and services at the lowest possible cost. This is not to say that the new procedures are perfect. On the contrary, as I previously indicated, the best method for estimating benefits would not be the use of rate comparisons, but the use of direct comparisons between the real costs of water transportation and the real costs required by alternative modes of transport. And I might mention along this line that the corps, in conjunction with the Bureau of the Budget and scholars at Northwestern University, is currently attempting to develop adequate methods of making direct cost comparisons. But though the corps' present procedures are not perfect, it is a mistake to criticize the corps for abandoning former procedures that were clearly erroneous. Rather, the corps should be congratulated for implementing new procedures for the approval of proposed waterway projects which should save the taxpayers billions of dollars. We should be thankful—especially at a time when the Vietnam war is placing great pressures on certain sectors of our economy—for administrative decisions, such as this one, which cut down on pork barrel public works expenditures.

Mr. PROXMIRE. Mr. President, the old method codified in the language I have read cannot do anything but guarantee an inaccurate picture, for this reason. The proposed method of evaluating the alternative to a proposed waterway would ignore this fact that after the waterway is built, in almost all cases, freight rates would go down because competitive rates would tend to bring them down. And lower rates would increase the traffic on the alternative to the waterway.

Secondly, because of the future development of technological advances and therefore more efficiency, on the alternative method of transportation costs would be reduced, and therefore freight rates would go down.

An inaccurate estimate is certain because the bill requires the corps to freeze freight rate estimates "at the time of the study" for the alternative means.

For these reasons it would seem to me to be far better to adopt the new system of the Corps of Engineers, which provided for an estimate of the future rates for alternative means as well as an estimate of the future rates for the proposed waterway.

However, the bill would require the estimated benefits of the proposed pork barrel to be put on a different and more favorable basis than the alternative means of movement.

Mr. JACKSON. May I respond by making a couple of observations? One rule we tried to adhere to in the committee deliberations on this bill was to avoid making any changes in the substantive laws of transportation, because we are not a substantive committee. The functions of substantive legislation belong in the Public Works Committee and the—

Mr. PROXMIRE. That is my point. That is why I was shocked to see this obvious substantive change in the bill.

Mr. JACKSON. I said earlier, when perhaps the Senator from Wisconsin was absent, in response to questions raised by the Senators from Vermont and Florida, that we were simply maintaining the status quo. We were not changing in this bill the existing criteria that the Corps is following.

I might mention to the Senator that I received a copy of a letter that was sent to Representative KIRWAN, of Ohio, from the Bureau of the Budget, dated August 24, which reads as follows, and goes to this very point:

Mr. Schultze's letter to you of May 4, 1966, stated that the Chief of Engineers were expected to issue new instructions to implement a cost basis of evaluating waterway benefits. Since then, further consideration has been given to the matter and it is apparent that additional study will be required before a new procedure that will insure an improved evaluation of costs can be instituted. Efforts in that connection will continue.

Pending development of such a new procedure, the Chief of Engineers will submit to the Congress reports on navigation projects as developed on the basis of instructions in effect prior to November 20, 1964. The interim procedure promulgated by the Chief of Engineers on November 20, 1964, will be discontinued.

I am sending an identical letter to the other signers of the February 18 letter to the President.

I think that answers the Senator's question.

Mr. PROXMIRE. May I say to the Senator from Washington, that what the Bureau of the Budget letter did, as the Senator from Washington expressed it, was to inform Representative KIRWAN of the discontinuance of the new method adopted by the Corps of Engineers; and the bill seems to be giving a new statutory rigidity to that position.

My only question is why it is necessary to bring this matter up at all in the bill. Why is not the bill silent on it, since it is a substantive matter, as the Senator says, that has nothing to do with the Department?

Mr. JACKSON. The reason, I think, is obvious: The administration sent up section 7, which proposed to change drastically the substantive law.

I do not think we should, in a bill to establish a proposed Transportation Department, attempt to change the substantive law. The committee decided, therefore, after hearing considerable testimony on the subject, that we ought to simply state legislatively what the law is at the present time.

That is all we have done. The letter I have just quoted corroborates my position, because the administration has withdrawn its 1964 directive.

Mr. PROXMIRE. I say to the Senator from Washington with all respect—and I have great respect for him—that this seems to me to be an Alice-in-wonderland argument—"The question is not what a word means. It is who is to be master that counts." The manager of the bill says that this substantive change is not a change.

I say that it is a change because, obviously, if the bill were to be neutral on a substantive change, it should be silent. It should not have anything in it on the subject. It ought to be omitted; we ought to strike the language from lines 7 to 20; is that not correct?

Mr. JACKSON. I think there is enough legislative confusion on this point, not only growing out of the hearings, but because of the directive of 1964, that the action we took, as embodied in section 7, was definitely warranted. This is my own opinion.

We have not changed substantive law or practice. We have simply codified it and made it clear.

Mr. PROXMIRE. And of course it is the codification itself that changes substances by freezing the Corps of Engineers into an unequal and unfair evaluation method. I ask the Senator from Washington, would it be possible, in his judgment, for the Corps of Engineers to maintain their new system of evaluating projects after this bill passes?

Apparently they feel at the present time that they were able, under the old law, to shift to the new method of evaluating projects, which in my opinion has eliminated a lot of unwarranted pork-barreling.

Mr. JACKSON. They are following the old system. They have the whole matter under review, and will submit it to Congress.

Mr. PROXMIRE. I say to the Senator from Washington, I shall not continue

the discussion on this matter, because I understand his viewpoint. We have a unanimous-consent order, unfortunately, on the bill. I did not know about this feature, or I would not have given my consent; and I shall not do so for the remainder of the session on major bills, because of just such developments as this.

I have some comments on other features of the bill; would the Senator rather I wait until he has finished his presentation?

Mr. JACKSON. I would rather the Senator would wait. I am about to run out of time.

Mr. HOLLAND. Mr. President, will the Senator yield briefly for one question?

Mr. JACKSON. I yield.

Mr. HOLLAND. I think the Senator has stated that the committee has not wanted to change existing substantive law. I assume that statement applies to the Bureau of Public Roads, as well as other agencies?

Mr. JACKSON. The Senator is correct.

Mr. HOLLAND. Does that mean that the present law, leaving much of the initiative on the building of Federal aid highways in the States and the State highway departments, remains unaffected by the bill?

Mr. JACKSON. The Senator is correct. We did not make any changes in the grant-in-aid highway program.

Mr. HOLLAND. I thank the Senator.

Mr. JACKSON. Mr. President, at this time I yield the floor, and reserve the remainder of my time.

Mr. MUNDT. Mr. President, before getting into the phase of the bill which has been the subject of most of the discussion today—section 7—may I say that this was not an easy piece of legislation to come by with a unanimous vote of our committee. When it was first presented, a considerable number of questions were raised about it, and arguments presented against it. But, by the slow and laborious process of legislative evolution, and by give and take across the table from one side of the aisle to the other—and, may I add, by the very competent conciliatory leadership of our friend who has just released the floor, the Senator from Washington [Mr. JACKSON], who was placed by the chairman as sort of the member in charge for the Democratic side of the aisle in trying to work up these various viewpoints—we finally ground out a piece of legislation which has been unanimously approved by the committee.

It does not look very much like the original bill which came over from the House, nor does it resemble too closely the original suggestions sent down from the other end of the Avenue. But I think all hands are agreed that it is a vast improvement over either of those legislative proposals.

Now, I should like to refer for a while to the question raised by the Senator from Wisconsin as to why we have written in section 7, as it appears in the bill, at all. He seemed to feel that it would be preferable just to overlook this mat-

ter, which has been the subject of so much discussion today.

Let me go back into the history of that just a little bit, Mr. President, because in my opinion one of the most important changes which we made in the legislation was to write in section 7 precisely as it is. I can assure the Senate that had that not been done, the reported bill, had it come out at all, would have come out with something very different from the unanimous support which it received from the members of the committee.

We were compelled to consider this matter of navigation most carefully, since the House of Representatives had, by amendment offered from the floor, stricken the entire section from the bill. That action left the establishment of the criteria for navigation projects entirely in the hands of the new Secretary of the Department of Transportation.

Since the House did not approve of what they first saw, they simply struck it out, and that would have placed the whole decision in the hands of the Secretary of Transportation, and could very well have meant the death knell for such modes as water transportation; because, since the repeal by Executive order of the criteria established prior to November 1964, as has been said on the floor today, not one navigation project has been authorized.

With that history, and with that manner of administrative approach, which had already stopped all new navigation projects, had we acquiesced in the House position, and said nothing, we would have been inviting disaster as far as any future water navigation projects are concerned. Because we believe that water navigation projects, along with all transportation projects, are part of a great and growing America, and should be considered on their merits on the basis of the evidence available, instead of on conjectural situations and circumstances which may in fact never develop, in my opinion the committee very properly and wisely insisted, by its unanimous vote, in writing in the language, the stipulations, and the criteria found in section 7.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. MUNDT. I yield.

Mr. PROXMIRE. Would not the Senator agree that you have to make a conjecture when you are estimating, and that you are estimating what the rates and the volume of traffic will be on the waterway, as compared with the rates and the volume under the alternative method? If you require the corps to use the present rates on the alternative means, say the railroad, then it seems to me you are almost sure to be wrong, because it is clear, on the basis of all of our experience, that the alternative means of movement will certainly adapt to competition with waterways, and it will reduce its rates.

We know that the alternative method will, in the future, obtain additional traffic. We also know that it will take advantage of technological improvements.

Mr. MUNDT. Mr. President, let me start to answer the questions of the Senator before there are too many of them.

Of course, there is conjecture in all kinds of economic planning and developing. Conjecture is involved when we build a highway, a dam, or an irrigation project. Conjecture is involved when we engage in some kind of city improvement program in the city of Milwaukee. Nobody can be sure.

We eliminate, by what we have done here, a situation which permits the railroads to veto entirely a waterway project by conjecturalizing on the fact that if this project were built at that time and under those circumstances, we would reduce the rates. If they can do that, why did they not do it yesterday, last year, or last month?

Why should we give them the right to say: "We will look at the facts and figures and provide such a low rate that obviously you cannot have a cost ratio on such a project."

Mr. PROXMIRE. We would be telling the experts in the Corps of Engineers that they have the freedom to make their own estimates on the basis of their own impartial and expert judgment on what is likely to be an alternative cost.

It seems to me that they are deprived of that freedom when we freeze them into a situation in which they have to take the present cost and the present rate, and base estimates on those factors. That is sure to be wrong. The future is certain to change. So this is sure to load the dice, on the building of the waterway, in favor of pork barrel. I can understand why some Members of Congress want more pork.

But estimates should be built on the basis of the freedom or competent experts to select realistic standards.

Mr. MUNDT. That is what is provided by the committee. We have the experts to do this.

Mr. PROXMIRE. The bill would do it on the basis of using experts, but the experts would not be free to use their best judgment.

Mr. MUNDT. They would take the economic status of the area into consideration.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. AIKEN. Mr. President, it is perfectly sound to take the existing rail rates in estimating whether a waterway is feasible. I think we can be sure that no railroad is going to reduce voluntarily its present rates unless forced to do so by competition or law.

Mr. MUNDT. It should be done before the fact and not after. If they are charging too much for hauling the products of the farmers, they should reduce the rates at that time and not wait for the waterway to become competitive and then favor a lower rate.

Mr. AIKEN. They do not operate that way.

Mr. PROXMIRE. Mr. President, do I understand the Senator from South Dakota to say that the House has stricken that provision?

Mr. MUNDT. The House struck out section 7 altogether, to meet the situation which arose because of a controversial amendment from the floor.

Mr. PROXMIRE. Is the Senator arguing against the House bill and saying the bill should take a substantive position on the evaluation methods rather than confine itself to the organization of the department?

Mr. MUNDT. I think there is a problem involved when we transfer to the Secretary of Transportation the man-made problems and the executive decisions which, I am sure as a great advocate of congressional participation, the Senator would not approve.

Mr. PROXMIRE. Would the Senator from South Dakota agree that when we write in the criteria and say that it must be done on a specific basis because the Corps of Engineers might do something that the Senator thinks they should not do, that that is providing a substantive change? The only way we can avoid that is by saying nothing at all.

Mr. MUNDT. There are substantive changes involved some place because we are shifting to a Secretary of the new Department of Transportation powers which he did not possess before.

Mr. PROXMIRE. We can specify the powers, but this goes much further than that.

Mr. MUNDT. We would have some guidelines and criteria to help him determine his judgment.

Mr. PROXMIRE. Exactly, and the guidelines provided here would be changed. Otherwise it would be unnecessary to have the language incorporated.

Mr. MUNDT. We have no language to cover that. We just said: "Mr. Secretary, go to it." We do not believe that this is a guideline.

Mr. PROXMIRE. This does not merely lift it out of the old law and incorporate it in the new law. This provides that the Corps of Engineers cannot do in the future what they did in the past to provide a better and more equitable method, a method that would eliminate billions of dollars of pork.

Mr. MUNDT. This provides exactly the same guidelines which had existed from time immemorial until November of 1964, when the Johnson administration directed that changes be made. There was such an uproar from all over the country and from Members of Congress that they very recently rescinded the changes. Therefore, if we give the Secretary of Transportation this power in view of the previous performance of the administration in changing and backing out and changing again, we thought it was important that Congress ought to express its opinion that it should not turn the transportation problems over to a man yet to be named and say, "You make the decision."

Congress ought to have some intelligence to bring to bear on this matter.

Mr. PROXMIRE. Rightly or wrongly, Congress is making a change by codifying the system of determining benefits and determining costs, riveting into law the method by which to determine the comparison and the way to determine the benefit-cost ratio.

Mr. MUNDT. That is precisely the pattern that was used throughout history up until November of 1964. We belong to a body in which precedent is very important.

Mr. PROXMIRE. The Senator has taken that decision away from the President.

Mr. MUNDT. Exactly. The Senator is in favor of taking away from the President or the governmental agencies a lot of the powers which they exercise, because Congress ought to have something to say about the manner in which the country is run.

Mr. PROXMIRE. I agree wholeheartedly with that statement, but there certainly are powers that can achieve greater economy. One would be a cutting down on what I think is one of the greatest problems of the country—pork barrel spending. That is the kind of thing that is very hard to deal with because of the way in which we operate in Congress. We want to help each other. However, the old system gave much more discretion to the President to accomplish this on a fairer basis, and a more economical basis.

Mr. MUNDT. We do not achieve much economy when we take the control of pork barrel expenditures and give it to the White House.

Mr. LAUSCHE. Mr. President, is that the key to the whole argument—who is going to have control of the pork barrel?

Mr. MUNDT. The Senator from Wisconsin seems to think it is involved. I do not think it is. I think that Congress can pass on the benefit-and-cost ratios and can scrutinize, on the committee on which sits the Senator from Wisconsin, the manner in which this is handled. This would give him a chance to argue for something that is justified—to see that the situation remains in the hands of Congress where it should be.

I set in my office in Washington, in the Senate Office Building, a series of conferences to try to find out what would be involved.

One of the witnesses we had at that time was former Senator Chan Gurney, a very distinguished former member of the Senate Committee on Appropriations. He came to speak for the Missouri Valley Association.

Mike Cassidy sat in and spoke for the Missouri Valley Association.

Ken Bousquet sat in at my request. He is a clerk of the Public Works Subcommittee of the Senate Appropriations Committee. He has had long experience in this field.

Others came to discuss ways and means by which we might amend this legislation so that navigation projects could move forward when the cost-benefit ratios indicate that they should.

I took the matter up with the chairman of our committee, the Senator from Arkansas [Mr. McCLELLAN].

I found in him a most sympathetic compatriot because he also was interested in the potentialities of water navigation.

I asked him to reopen the hearings so that we could bring in some special witnesses to discuss this particular problem.

We did this and they did discuss the matter. We listened to them.

Out of that action came the development of what we now see in section 7. Thus, when it came time to mark up the bill, we were not operating in a vacuum. We had testimony on this particular problem. It had been studied formally and informally. It had been studied in committee and by groups within the committee.

We knew that it was our responsibility to establish some kind of criteria to be used by the Secretary of Transportation as he assumes the great new powers which are delegated to him and disposed of in his office as a result of this proposed legislation.

Navigation is a major function of any total concept of water resource development and therefore, other phases of water resource development should not be influenced by standards and criteria established for application to problems related solely to transportation.

Mr. President, the committee, recognizing these needs for orderly procedure in development of water resource projects, took a sound and proper initial step and acted wisely and prudently, in my opinion, in exempting navigation criteria from this Department of Transportation. This action, Mr. President, maintains the effectiveness of the Corps of Engineers in the planning and development of multipurpose water resource projects.

South Dakota, more than any other State, because of its peculiar geographic location, has been the host to these great multipurpose project dams. We have more of them impounding more water in the Great Missouri Basin than anywhere else in the world, making of the great lakes of South Dakota—man made under the Corps of Engineers—a body of connected water which in depth and in length and in circumference is exceeded only by the natural Great Lakes extending from Chicago to Buffalo. If these were normal times, when Representatives and Senators had a recess or a vacation, I would invite them all to South Dakota, to enjoy the aquatic benefits of this new man made oasis.

We went further than that, Mr. President. Out of an abundance of caution, the action of this committee also maintains the integrity of the Water Resources Council, which Congress established through enactment of Public Law 89-80. Here we were not cutting new ground. Here we were reaffirming and reestablishing and reemphasizing existing and continuing policy.

Section 7 as we have written it into the bill also spells out specific criteria for determining navigation benefits which evaluate the difference between prevailing freight rates at the time of the study and those which would be charged by the proposed waterway.

In planning for full usage of water in a country like ours with a rapidly expanding population it is wise in my opinion that the committee of the Senate on Government Operations has inserted section 7 into the Senate bill to protect our water projects and river navigation for planning under the Water Resources

Council. I urge the Senate to keep the section in this bill and the conferees to stand firm during their conference deliberations because without it I am afraid that the development of this transportation act, in the long run, in this department, may serve America poorly, instead of serving America well.

In my own work on the committee, Mr. President, I concentrated my efforts, during the many weeks and months that we had the matter before us, first as I have just related, in connection with the criteria for the consideration of waterway projects, and second in the area of the human factor, the safety features involved.

In the early days of the discussion before us, representatives of almost all the different modes of transportation came in, greatly concerned about whether or not safety features and investigative features would continue as well as they now operate, whether there might be some chance for improvement, or whether some changes in the bills were necessary.

We listened to two volumes of testimony on that particular point.

I was especially interested in one of those points, because the big channels of transportation in my home State of South Dakota are the airways. I was especially interested that nothing be done to hurt the safety features and the investigative functions of the Civil Aeronautics Board and the groups presently in charge of and patrolling the use of the airways.

I wish to express my appreciation to Senator JACKSON for the constructive work he has done in this particular phase, which I discussed with him many times and in connection with which I offered changes and recommendations. I commend him for having come up with final language which I believe is not only satisfactory to the Air Transport Association and those who are intimately involved, but also will tend to protect the traveling public.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. JACKSON. Mr. President, I wish particularly to commend the able senior Senator from South Dakota for his outstanding leadership in connection with this difficult piece of legislation. I must say that his efforts in no small measure are responsible for the fact that we were able to report this bill unanimously; and I cannot commend him too highly for his constructive amendments, his comments, and his suggestions which made this possible.

Mr. MUNDT. I thank the Senator deeply.

May I say, while we are on this subject, Mr. President, that I send to the desk an amendment which I have discussed with Senator JACKSON. It does exactly what we have been attempting to do throughout this matter: to be sure that nothing interferes with the activities of the Civil Aeronautics Board in its new home.

After the clerk has read the amendment, I believe that the Senator from Washington will concur that we have had

a previous conference, and that he will agree that the amendment will be clarifying and helpful. I think that the amendment can be adopted by unanimous consent.

The assistant legislative clerk read the amendment, as follows:

On page 49, line 9, after the word "appellate", insert the words "nor determination of probable cause".

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. JACKSON. Mr. President, this is a clarifying amendment. I think it is a helpful amendment, and I am very pleased to accept this amendment offered by the Senator from South Dakota.

The PRESIDING OFFICER. Do the Senators desire to yield back the remainder of their time on the amendment?

Mr. JACKSON. I yield back the remainder of my time.

Mr. MUNDT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, I now send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with at this time.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows: On page 68, line 3, strike out the period, insert a semicolon and the following: "or (6) grants-in-aid programs authorized by law."

Mr. RANDOLPH. Mr. President, for myself and the diligent junior Senator from Oklahoma [Mr. HARRIS], who now occupies the Chair, I present this amendment. I believe that coherence and effectiveness in the development of the transportation policy for the United States is achieved in S. 3010, but I feel there is an ambiguity remaining in the legislation as reflected in section VII of the bill.

I wish to state for the RECORD that Senator McCLELLAN, as chairman of the committee and as the manager of the bill, and Senator JACKSON, who is ably assisting in the handling of the measure on the floor, have been consulted on this amendment and have agreed to accept the amendment that I have offered.

Mr. President, I commend the able and knowledgeable chairman of the Committee on Government Operations [Mr. McCLELLAN], the distinguished Senator from Washington [Mr. JACKSON], and all the other distinguished members of that committee for their work in bringing forth S. 3010, the measure which would establish a Department of Transportation. They labored long and carefully, and the results of their labor will

bring a new concept to the administration of our vital transportation industry.

There is, however, an element of ambiguity, I repeat: section 7 of the bill, which authorizes the Secretary to develop standards and criteria for the investment of Federal funds in transportation facilities or equipment. I refer to the absence of language which would specifically exclude the highway trust fund from this authority. This matter, as I have said, has been discussed with the distinguished manager of the bill [Mr. McCLELLAN], and it is my understanding the amendment which I propose is acceptable.

During the hearings on S. 3010, as is noted in volume 1, page 135, the chairman of the Committee on Government Operations, in an interchange with one of the witnesses during the hearings, Mr. Charles E. Shumate, president of AASHO, expressed his concern for protecting the highway trust fund in the following words:

I think we have a marvelous highway system, and we support it, and I don't want to see that disrupted and that money taken and used for various other purposes. The financing of other programs should come from some other source—perhaps from general revenue. But I don't want to see this system jeopardized or impaired by diversion of its funds.

The amendment which I propose, Mr. President, would provide the assurance which the distinguished senior Senator from Arkansas [Mr. McCLELLAN] considered desirable, by adding on page 68 of the bill, at the end of line 3, after "(5) water resources projects" a new category "(6) grant-in-aid programs authorized by law."

This amendment is consistent with the declared aims of the executive branch as evidenced by exhibit 2 of volume 1 of the hearings, an analysis of section 7 submitted by the administration. In this analysis, on page 147 of this volume of the hearings, the administration states:

2. Nothing in section 7 adds or detracts from the existing statutes applying to the various transportation activities of the Federal Government. For example, neither the general nature nor the scope of the Interstate Highway System could be altered by the Secretary. The Secretary could not change programs already authorized by the Congress.

Further in the same analysis, it is stated on page 149:

The established methods of financing existing transportation programs; for example, the Highway Trust Fund, will not be changed.

Mr. President, the proposed amendment simply provides statutory language to embody the expressed intent of the Chairman of the Committee on Government Operations and the declared aims of the executive branch. In so doing, it specifically retains in the Congress the traditional authority of the legislative branch to determine the scope and magnitude of the investment of Federal funds in the construction of highways.

For the purposes of establishing the legislative history in this regard, I note also that the proposed amendment would

apply to the implementation of the study of future highway needs which the Congress authorized last year in Senate Joint Resolution 81 which was enacted as Public Law 89-139.

Is it my understanding that the managers will accept the amendment?

Mr. JACKSON. Mr. President, as I understand the language proposed in the amendment by the distinguished Senator from West Virginia [Mr. RANDOLPH], it is similar to the language in the bill as approved by the House committee.

Mr. RANDOLPH. It does what is done in the House version.

Mr. MUNDT. Does it deal with section 7?

Mr. JACKSON. Yes, it deals with section 7. It relates to the highway trust fund.

Mr. MUNDT. Mr. President, I would like to know what it does.

Mr. JACKSON. This would add a further exemption to section 7.

Mr. MUNDT. This has nothing to do with criteria; it deals only with the trust fund?

Mr. JACKSON. The Senator is correct.

Mr. RANDOLPH. The able Senator from South Dakota is correct in his understanding.

Mr. JACKSON. The proposed amendment is acceptable to the Senator from Washington.

Mr. RANDOLPH. This subject matter has been developed in hearings, and as I have said, I believe it was an oversight; that it was not included, and I have offered the amendment to clarify and make clear the situation as it affects the trust fund for our highway program.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. RANDOLPH].

The amendment was agreed to.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield to me for 10 minutes?

Mr. JACKSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Washington has 11 minutes remaining under his control.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield to me on the bill?

Mr. JACKSON. I have 11 minutes on the bill. I would be happy to yield one-half of that time to the Senator from Massachusetts, that is, 5 minutes. I think the Senator from South Dakota [Mr. MUNDT] will yield a like amount of time.

Mr. KENNEDY of Massachusetts. Mr. President, I ask unanimous consent to proceed for 10 minutes with the time not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. MUNDT. Mr. President, I did not understand the request.

The PRESIDING OFFICER. The request was that the Senator may proceed for 10 minutes, not to be charged to either side.

Mr. JACKSON. Would the Senator from South Dakota yield 5 minutes out of his time?

Mr. MUNDT. Mr. President, I would be glad to yield 5 minutes from our time, and I understand the Senator from Washington [Mr. JACKSON] yields 5 minutes of his time.

Mr. JACKSON. I join in that request, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. KENNEDY] is recognized for 10 minutes, to be charged equally to each side.

Mr. KENNEDY of Massachusetts. Mr. President, I am pleased to speak in support of S. 3010 which would establish a Cabinet-level Department of Transportation.

Throughout our history, our Government has responded to the emergence of significant social and economic developments by changes in our governmental structure to accommodate them. The most recent example, of course, was the creation in the last session of Congress of the Department of Housing and Urban Development, in recognition of the increasingly urban character of our Nation and the magnitude of our urban problems.

The creation of a Department of Transportation, at this point in our Nation's development, is no less timely or necessary.

Transportation is today a great social force. It affects the life of every citizen. It accounts for \$1 out of every \$6 in our economy; it employs over 2½ million people; it is "the web of union."

But vital as this transportation system is to our Nation, it is not performing adequately. Largely as a result of unplanned growth which has not matched the growth in demand for transportation services, our transportation system is snarled by inefficiencies and waste and congestion and delays. It has grown without adequate coordination of planning between the various modes of transportation and without adequate programs and incentives for initiative and innovation and research and development.

When we consider that our Nation's demands for transportation services will more than double in the next 20 years, it is obvious that we can no longer continue as we have.

Our goal must be—

As President Johnson has stated it—a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

But we will never achieve this objective so long as transportation policy is made and administered as it is now—by a great number of Government departments and agencies, without any real opportunity for coordinated, centralized policy planning.

The bill before us will bring together most of the widely dispersed transportation programs of the Federal Government under a Cabinet Secretary of Transportation, who will have authority to coordinate and relate these programs to the total transportation needs of the country.

This is an historic step. It will provide for the first time an environment for the development of a coherent and coordinated transportation policy, which relates the various modes of transportation to each other and encourages cooperation among the various transportation groups in the country.

The new Department will be responsible for speeding the introduction of advanced technology in this field by promoting research and development with the cooperation of private industry; providing general leadership in the identification and solution of our transportation problems; conducting systems analysis and master planning to determine how we should allocate our resources in the creation of an integrated efficient system of transportation; and recommending policies and programs to Congress and the President to accomplish these objectives.

The broad powers given the new Secretary in section 4 of this bill provide a bold opportunity for this country to build a transportation system equal to the demands of the future.

I think the potential benefits of a Department of Transportation are apparent; I would like to address the remainder of my remarks to one specific area of transportation—domestic civil aviation.

AN AVIATION REVOLUTION

Our present national aviation policy is inadequate to meet the rapid evolution of the new aviation age. Growth in domestic aviation has overtaken even our most farsighted projections. Because we have not had a policy to keep up with this change, we face an air transportation crisis of substantial proportions.

Over the past 15 years, we have witnessed a revolution in aviation, a revolution in technology, and also in demand. The growth in air travel since 1950 has been tremendous and in the past few years can only be described as phenomenal. Aviation is one of the truly great growth industries of the country; its average annual rate of growth during the last 15 years—14 percent—has been almost four times the national average. Airlines have taken over as the most heavily used form of transportation; they claimed 59 percent of all intercity travel on common carriers last year, outstripping both buses and railways combined. In 1955, U.S. scheduled airlines flew 19.8 billion revenue passenger-miles; 10 years later the figure was two and a half times as great. If rates of growth continue to follow the accelerated pattern of this year, with passenger-miles up almost 25 percent, then by 1970 the figure could be an astronomical 100 billion revenue passenger-miles.

On the basis of this year's figures, American Aviation magazine estimates passenger traffic will double by late 1968

or early 1969. And even more conservative estimates by the Federal Aviation Agency indicates that for every 1,000 passengers now using U.S. airports, there will be from 1,700 to 2,000 passengers using them in 1971; and that for every 1,000 aircraft operations in U.S. airports today, there will be at least 1,600 by 1971 and more than 2,000 by 1975.

This incredible growth is not limited to scheduled passenger traffic. Scheduled air freight traffic last year was a third greater than the year before. General aviation traffic will be up almost two-thirds in the next 5 years, and airline traffic is expected to double in the same period.

The frightening thing about these projected aviation growth rates is that in the past, projected rates have always underestimated actual growth rates. And, considering that the boom in private and business flying and in air cargo has barely begun, and that the introduction of supersonic air transport and jumbo transport has yet to come, our estimates of growth are probably too low.

The extraordinary increase in activity which we know will be forthcoming in the next few years would strain our Nation's airport facilities even if at present they had substantial unused capacity. But in fact many airports are already strained beyond their peak capacity. Many of them, indeed, are strangling on traffic undreamed of only a few years ago.

THE PRESSURES OF OVERCROWDING

Recent newspaper reports on traffic and passenger congestion at Chicago's O'Hare Field and the New York airports, as well as reports sent to me by officials of Boston, New York, and Washington National airports, all indicate that congestion and delays are already almost intolerable. Delays have become so commonplace that one out of every three flights out of Kennedy and two out of every three out of Newark are delayed. The FAA estimates that the cost of such delays to commercial airlines last year was some \$63 million. And the cost of these delays to the air traveler is impossible to compute. But we are all aware that it means lost business opportunities, missed connections, abbreviated holidays, and, as all of us who travel by air know from personal experience, serious frustration and irritation.

Nor is this only a problem of flight delays. The expansion of aviation activities is causing severe congestion at air terminals all over the country—congestion reflected in the long lines at the ticket counter, at the baggage claim area, in the lobbies, and on the access roads leading to the terminals. It is reflected, too, in the shortage of parking at the airport, which often makes it more time consuming to find a parking place than to fly between New York and Washington.

These are the problems and strains that we are experiencing now. What are these problems and strains likely to be 5 years from now, when already overcrowded facilities are asked to accommodate twice the traffic we have now? Or perhaps, to ask a more practical question, what are we doing now in the way

of conscious policy planning to anticipate and alleviate these strains?

Unfortunately, the answer is: pitifully little. Indeed, too few public officials are sufficiently aware or concerned to be giving this problem the attention it deserves.

Here in the Senate, the distinguished Senator from Oklahoma [Senator MONROE], and his Subcommittee on Aviation, are making a valiant effort to focus public concern in this area. But the urgent need for action seems still to be overlooked.

INADEQUATE POLICY

The only national airport policy we have now is reflected in the Federal Airport Act of 1946, and that program is extremely limited. It embodies outdated, static, and incomplete concepts no longer adequate to cope with the explosive growth in demand and technological advance of our new aviation age.

Under the Federal Airport Act, Federal funds are made available to airports on a matching basis to assist in the construction of runways. For the most part, Federal assistance under this program has always been too little and too late. Some administrations have supported the program, with limited appropriations, as necessary to the development of a national aviation system and to the economic growth of our communities and the Nation. Others have sought to have the program ended. An examination of the 20-year history of the program indicates a total lack of consistency in Federal appropriations from year to year, with never more than \$75 million appropriated in any given year and with no funds provided at all in 1958.

And yet it is clear that Federal assistance is needed. This year, for example, O'Hare Airport in Chicago could not expand its facilities because it lacked the resources to match Federal funds. Yet O'Hare is in a far better financial situation than most of the small- and medium-size airports around the country.

As a result of this shortsightedness, local sponsors have never been able to count on planned and timely Federal assistance to meet pressing needs for airport improvements. Moreover, the present program, as now constituted and if continued at current levels, will still be inadequate in at least five major respects.

First, the program offers financial assistance only for necessary runway improvements. It excludes from eligibility the construction and expansion of passenger terminal facilities, which is where one of the greatest needs for assistance will be in the next decade.

Second, the level of assistance is hopelessly inadequate. The appropriation this year is some \$71 million, or about the equivalent of what it would take to build 50 miles of Federal highways. Yet eligible project requests for the past 5 years have been more than double the funds appropriated, and requests now submitted to the FAA for fiscal year 1967 total \$275 million, or almost four times the appropriation.

Third, these requests do not include costs of passenger terminals, parking facilities, access roads and other facilities, so the costs of total needed development are much higher. Between 1960

and 1965, the amount of Federal aid was only 24 percent of total costs and at the larger airports the Federal participation was as low as 10 percent.

Fourth, the act does not reflect any national policy on the important questions of noise abatement and aviation research and development. Nor does it address itself sufficiently to the urgent need for Federal aid to general aviation airports at small communities to support the economic growth and development of these cities.

Fifth, and in my judgment of greatest importance and crucial to all the issue I have just raised, the act does not provide for any comprehensive future planning of our total aviation needs—planning which reflects the needs and the potential of all our transportation systems.

This comprehensive planning, I believe, is the key to the future of domestic aviation.

BLUEPRINT FOR THE FUTURE

The idea of a master plan is not new. The original Federal Airport Act of 1946 specifically sought to provide for the development of a comprehensive system of planning for airports. Since that time, however, this planning concept has evolved into a series of annual reports prepared by the FAA, which serve only to explain the runway additions which will be required to bring about satisfactory safety standards.

This is not the kind of comprehensive planning we need. We need instead a total systems blueprint for the future, which will permit all the key operators of the system—the aircraft manufacturers, the commercial operators, the airway system planners, and the airport operator owners—to look ahead to the demands each is expected to meet, to determine when these needs must be met, and to work constructively toward meeting them in a timely and orderly fashion.

Such a blueprint must be based on sound forecasting of our future aviation requirements. It must reflect a sound forecast of the aviation art, and it must be tempered with an understanding of the state of art for all other modes of transportation, and the relationship among the various modes.

This kind of planning is essential if we are to avoid the extraordinary obsolescence which could result as one or another mode of transportation proves itself most advantageous for a particular portion of our transportation system.

For example, if short take off or landing aircraft—STOL—or vertical take off or landing aircraft—VSTOL—currently under military development, should prove feasible as a 100 passenger—400 m.p.h. commercial transport mode between the centers of nearby major cities, we must know what effect the introduction of such equipment would have on the existing outlying airports of such cities, and the number and location of new "VSTOL ports" which will be required, and the future equipment inventory of their serving air carriers.

Or, to look at the problem from another direction, we must know what the impact will be on our airport requirements and air carrier system of building

a rapid transit ground system to service our Northeast transportation corridor with 200 m.p.h. trains.

Until now the absence of a single authority embracing all of the major forms of transportation has precluded the development of a transportation system which provides the traveler with the maximum advantages of each form.

In the aviation field, this failure is reflected in the fact that it often takes longer to get from the airport to downtown than to fly from city to city, because the location of airports and the development of ground transportation from the airport have been related neither to each other nor to any kind of comprehensive urban planning.

THE IMPACT OF NEW EQUIPMENT

To consider another example of the need for planning: Boeing has introduced a new 747 with seating for 500. Lockheed has a design for a plane seating 800. This means that airports will have to face a number of new problems, such as fast deplaning and emplaning for large numbers of people, and changes in runway weight capacities. There is already evidence before the FAA that the Boeing 727 is causing severe damage to runways—runways which were not designed for these jets and which are not prepared to withstand the impact and stress of jet landings and takeoffs.

Yet under the present circumstances, there is no reason to expect that airports will act to keep pace with changing equipment. After all, there exists no mechanism to coordinate changes in equipment introduced by airlines with changes needed in airport facilities.

THE INDIVIDUAL AIRPORT

There are still other reasons for developing such a plan. For example, the disadvantages of the present system of fragmented individual airport planning is obvious. Except for Dulles International and National Airports in Washington, the public airports of the country are generally under the private control of the municipal area in which they operate. There are 665 such airports in the United States. Therefore there are 665 separate programs of airport development. The only standard development programs that exist nationally for all airports apply to the safety instruments required by the FAA, as well as certain requirements that must be met under CAB regulations.

Because there is no master planning of the entire aviation system, it is impossible for any individual airport to gage its future and to anticipate its most effective program of development. And as a result many airports have not kept pace with the jet age. My distinguished colleague from West Virginia [Senator RANDOLPH], has recently pointed out that more than half of this country's 220 trunkline airports cannot accommodate commercial jets, and they face possible obsolescence unless action is taken both to upgrade their facilities and to develop jet equipment to serve intermediate and small community airports. Coordinated master planning in this area would save money and time—and it would allow airports to allocate their

scarce resources in the most productive way.

Master planning would also help alleviate the problems that individual airports experience in making major improvements. An improvement such as a new runway at a metropolitan airport will require anywhere from 4 to 10 years from conception to completion. But unless airport operators have reliable data on their future needs, it is unlikely that they can make provision for adequate lead time to construct needed improvement or expansion. A master plan, based on forecasts of their future plans by the major airlines, would prove invaluable to programming of airport facility improvements.

Moreover, a master plan could help solve the problem of increased congestion at all the major terminals by determining which general aviation has to be siphoned off to general aviation airports, and how much of it. It would also provide advice on scientific advancements which would be particularly helpful in increasing airport capacity. Existing airport capacity can be greatly expanded with the help of new developments such as instrumentation of airports for all weather operations, installation of improved airport lighting, widespread use of standard instrument departures, introduction of mosaic radar, and replacement of the present system of manually controlled separation of aircraft landing and takeoff by automated sequencing systems. The improvement of aviation techniques has historically provided a continuing increase in airport capacity beyond forecast predictions. Master planning would help to increase this capacity, and thereby decrease congestion.

A PLANNING AGENCY

For all these reasons, we must have a mechanism for long-range systems planning of our domestic aviation program. The logical place to rest responsibility for the formulation of such a systems blueprint would seem to be in the Federal Aviation Agency. The FAA already has responsibility for four on-going programs directly related to such a master plan—aircraft certification, operation and control of our Nation's airspace, the terminal-aid establishment program and the Federal-aid to airports program. In each of these areas, the existence of a blueprint along the lines I have mentioned could provide the guidelines for program policy planning.

Before today, the FAA had never been given the statutory mandate to develop such a plan. And since the FAA is a separate agency, set apart from other governmental transportation functions, and lacking a Cabinet voice, there is some doubt that it could adequately have performed this function.

But with the creation of this Department, containing the FAA as one of its most influential components, the time seems right to establish such a mechanism for planning.

The statutory mandate has been given the Secretary of Transportation in section 4(a) of the bill to "exercise leadership—in transportation matters"; to "develop national transportation policies

and programs" and to "promote and undertake the development, collection and dissemination of technological, statistical, economic, and other information relevant to transportation." Certainly this mandate seems broad enough to justify the Secretary directing the FAA to construct the kind of systems blueprint I have outlined. And there is no question, as former FAA Administrator Najeeb Halaby concluded, that the FAA could get better solutions to problems which also involve other forms of transportation if it were a part of a Department of Transportation.

Section 4(a) of the bill also gives the Secretary and therefore the FAA the authority to "consult with the heads of other Federal departments and agencies—

To encourage them to establish and observe policies consistent with the maintenance of a coordinated transportation system operated by private enterprise.

In addition, the bill in section 4(g) provides for the coordination and cooperation with the Department of Housing and Urban Development necessary to insure that transportation policy is developed in concert with other modes of transportation as a part of an overall program of urban planning.

AVIATION MASTER PLAN

Therefore, I strongly recommend that the President and the new Secretary seize upon the opportunity presented by enactment of this bill to direct the FAA to assume responsibility for formulating a master plan for the national air transportation system.

I am not suggesting by this proposal that the Federal Government take over control of domestic civil aviation. At the present time, for example, Federal authority to require an air carrier to operate equipment compatible with existing or planned airports does not exist. And I am not arguing that it should exist. But neither do I believe that manufacturers, airline and airport operators and Government officials should any longer be forced to operate in the dark, often making decisions involving billions of dollars without the benefit of the leadership, coordination and common direction that a long-range systems blueprint could provide.

I have spoken or corresponded with a great number of the parties whose participation and cooperation in the development of such a plan would be essential. I believe there is a strong consensus in its favor, and a broad willingness to cooperate. Generally speaking, there seems to be a recognition that a crisis is upon us and that cooperative, long-range system planning is in the best interests of all.

MORE FUNDS FOR AVIATION

The establishment of this new Department of Transportation should also contribute to aviation receiving a larger share of Federal financial resources. Aviation along with every other method of transportation will be supported and regulated by a member of the Cabinet. If we bring together under one head all the principal transportation forms and build a systems blueprint, we should

be able to allocate resources to transportation in a less haphazard manner, focusing on priorities, and cost benefits, and relating our Federal transportation investments to the future needs of the Nation.

The legislation before us specifically provides for the formulation of transportation investment standards, and I hope that when the Secretary of Transportation presents to the Congress a balanced program for Federal assistance to transportation his requests will include imaginative and realistic financing proposals to meet our growing aviation needs.

I have already touched upon the inadequacies of our present Federal direct grant assistance program—both as to scope and level of funding. As the Commerce Committee made clear in its report No. 1282, on the bill extending the Federal Airport Act for the next 3 years, the committee recognized the need for greater fundings. But in the face of the inflationary pressures and other high priority Federal commitments it could not see its way clear to authorizing more than the administration asked for.

Without getting into the merits of that judgment, I think it is fair to point out that unless we find ways to allocate more resources to meet our growing aviation needs—and find them soon—the results in 5 years may well be chaos. And the impact will be felt not only by the aviation industry. It will be felt throughout the economy, for aviation has become an indispensable part of our national transportation system and is vital to the well being of every citizen. I tend to agree with Mr. Halaby's conclusion that, had aviation been represented by a Department of Transportation, the level of funding for this year's Federal Airport Act might well have been higher.

FEDERAL AIRPORT LOANS

But, in any case, I urge that as one of its first tasks, the new Department review this problem of financing, and in particular consider the feasibility of establishing a Federal airport loan assistance program to supplement the existing program of direct assistance.

A joint study by the Airport Operators Council, the American Association of Airport Executives and the National Association of State Aviation Officials forecasts that airport development needs for the last half of this decade—almost 2 billion—will exceed expenditures made in the first half of the decade by more than 50 percent; at the present level of Federal assistance, more than 85 percent of this greatly increased expenditure must be provided by local and state sources.

According to a recent FAA survey, over the next 5 years approximately 250 communities currently served by scheduled air carriers and forecast to receive jet service will have to finance substantial additional airport development. The survey estimated total costs at \$261 million. This does not include the cost of passenger terminal facilities, most of which would be required at small and nonhub airports and small hub airports serving metropolitan areas of 100,000 to 500,000 in population. And up to 20

major hub airports will have to engage in substantial terminal area development in order to accommodate the increased capacity aircraft of the future. These growing airport development needs far exceed the financial ability of local governments to meet them.

A 1965 report of the Airport Operators Council International indicates that 73 percent of past financing for local and State projects came from revenue bonds. Yet the report also points out that the ability to float bond issues which pledge future airport revenues to their retirement is almost exclusively limited to a relatively few of the Nation's major airports; and that general obligation bond issues, although generally possible at large and medium hub airports, are rarely possible at small and nonhub airports.

More assistance for airport capital financing is therefore critically needed. It seems wise to make such assistance available through a system of Federal loans to local and State governments, as an adjunct to direct Federal aid, in order to enable capital development to proceed which would otherwise be delayed or cancelled because of the inability of the operating authority to otherwise arrange for the required financing.

The time for beginning such a loan program is now. The jumbo aircraft will be introduced in quantity into the aviation system during the 1970-75 period and jets are being introduced into the local service system now. The leadtime necessary for a terminal to accomplish needed changes while at the same time remaining operational ranges from a minimum of 3 years upward to 7 years. Thus airports must begin now if facilities are to be available to accommodate the volume and type of aircraft operating in the system. Although the loans would still require the State and local governments to spend a great deal of money, the improvements resulting from the loans are directly related to increased airport revenues and the airports ability to repay. Likewise, it would aid local governments to match Federal aid to the same degree that they could seek and obtain funding from other sources for the purpose, and do so at lesser cost.

LOANS FOR GENERAL AVIATION AIRPORTS

I also call upon the new Department to consider the desirability of instituting a Federal loan program to private general aviation airports and to State and local governments which wish to develop general aviation airports.

As CAB Secretary Richard Sanderson points out:

The greatest percentage increase in air traffic activity over the past ten years has occurred in the field of general aviation. This increased activity has diminished the ability of large hub airports to accept additional air carrier traffic. It is most important, therefore, that greater emphasis be placed on the development of additional airports to be used by general aviation.

The FAA forecasts that by 1971 general aviation will represent 77 percent of total aircraft operation, and will account for nearly 23 million operations just at the Nation's airports with con-

trol towers—300—more than double the number for public airline movement. This general aviation traffic is important; it serves the needs of business flying, air taxi service, aerial applicators, mail carriage, forest fire protection, and many others. Yet the intermingling of scheduled air carriers, general aviation and military aircraft within the same airport and operating from the same airport has serious shortcomings as traffic grows. It adds to congestion, delays and inefficiencies. It increases the danger of air travel. And these problems will worsen as traffic increases.

SATELLITE AIRPORTS

I believe one solution to this problem is to encourage the building and expansion of general aviation airports, as satellite airports on the perimeter of large cities, to siphon off general aviation aircraft from the large passenger terminals. The outstanding example of how effectively this method can work is the example of the Minneapolis-St. Paul metropolitan airport system. Their plan went into effect 20 years ago. Their efforts to separate the different kinds of flying have been highly successful.

The airport network owned and operated by the commission of Minneapolis-St. Paul now consists of six fields—Wold Chamberlain, which accommodates seven scheduled air carriers; and five smaller airports located around the metropolitan area. The benefits of operating this coordinated complex have been reflected in safety, economics, and greater capacity. During a period of extreme aviation growth the operations at Wold Chamberlain Field have decreased to 222,000 in 1965.

The system of Minneapolis-St. Paul effectively separates general aviation aircraft, mainly small planes, from the larger, high performance planes used by the scheduled airlines. By providing attractive, conveniently located, and less costly facilities for general aviation at the five secondary airports, Minneapolis-St. Paul has succeeded in drawing the general aviation aircraft to those fields.

The ability to preserve and protect the entire metropolitan area airspace is thus a fundamental result of this coordinated system. And it has been done without moving airports too far from the population centers.

The Minneapolis-St. Paul is a successful, long-range plan for orderly separation of air traffic. It guarantees substantial capacity for fast growing general aviation. It assures the scheduled carriers of facilities at the major airports to accommodate the larger number of passengers which they have forecast. And it provides safety, efficiency, and economy, both on the airport and in surrounding airspace.

Other metropolitan areas have exhibited the same farsighted air planning in the public interest. While the Twin Cities of Minneapolis-St. Paul have distributed 73 percent of their total aviation movements to five smaller airports, Los Angeles distributes 81 percent of its total air traffic to its six smaller airports, and Pittsburgh distributes 54 percent of its total aircraft movement to its one smaller airport.

The Port Authority of New York has not developed a plan for general aviation airports in the New York area. By 1965, small plane movements at three major airports rose to fully 27 percent of their total airport operations. By 1980, they are predicted to represent one-third of total airport traffic at the air carrier airports in New York.

In my own State of Massachusetts a large percentage of Boston-bound general aviation aircraft land at Logan International Airport. Much of this general aviation is concerned with the transportation of industrial materials. Boston industrialists, and industrialists throughout the country, have increasingly found it an advantage to own and operate their own planes for the transportation of their employees, and critical raw materials and finished goods.

Today there are approximately 40,000 of these private industry-used airplanes, which is more than 20 times the number of commercial airline aircraft. These general aviation planes fly five times as many hours as all the commercial carriers combined. In dollars they represent a great contribution to the national economy. In the past year the sale of planes to industry for general aviation use is double the sales of planes of the previous 2 years.

But in Boston the cargoes brought into Logan must be placed on buses and trains and transported through the city to the great industrial complexes around Boston, for example, route 128. This additional transport cost is an added expense for producers.

If there were general aviation airports on the periphery of the Boston area, industry-owned planes could fly directly to the airports closest to the area of the industries concerned. The electrical industry, which likes to transport its products by air, would particularly benefit from having its products shipped in and out of an airport closely adjacent to its factories. With the use of general aviation airports, the added expense of transporting goods through Boston would be eliminated and congestion at the Boston airline airport would be eased.

Two-thirds of all the airports in the United States are privately owned. But many of them are going out of existence because of the profit incentive to sell to real estate developers and the fact that they do not have the financial capability to develop their airports. In the absence of Federal guaranteed loan assistance, many more will probably disappear and certainly fewer cities will be willing to acquire and develop the system of small airports needed in their area. Many small cities that have heretofore been served by a private airport will be without any airport at all.

Providing loan assistance to general aviation airports is not unprecedented. Federal moneys can be spent under EDA and Appalachia for the development of general aviation airports. The problem is that under the present administration's policy applied to the Federal programs, aid to general aviation airports is a very low priority.

Federal loan programs for the expansion and development of terminal facilities

and general aviation airports would not only increase the capacity of existing airports and ease the burden of meeting future needs that will have to be shouldered by local and State governments. It would also help to ease airport congestion on the ground and in the air.

AIRCRAFT NOISE ABATEMENT

The new Department must also take decisive action to deal with aircraft noise, which has become an increasingly serious social problem. With the growth of air travel and the introduction on a large scale of jet aircraft, more and more people are suffering annoyance and irritation from the noise of aircraft taking off and landing or flying overhead.

At the present time, this problem is most acute in the immediate residential areas surrounding our largest airports. But as jet service becomes more widespread, and still larger jet craft are introduced into service, there can be no question that the problem will become still more critical.

The President's Office of Science and Technology released several months ago an excellent study on jet aircraft noise. Its principal conclusion was that the Federal Government was the proper party to supply the initial impetus for the research and development necessary to deal with this problem.

I concur in this conclusion and I am therefore pleased to note that section 4(a) of the bill before us specifically authorizes the Secretary of Transportation to promote and undertake research and development relating to noise abatement, with particular attention to aircraft noise.

I interpret this language as a mandate for action, and I call upon the new Department to assign an urgent priority to this task.

The FAA has already begun a noise abatement program and established a noise abatement staff to undertake a concerted effort to alleviate the problems of airport noise.

As a part of the new Department, this work of the FAA must be continued and expanded. At a minimum a sample study, using systems analysis techniques, should be made of a representative number of airports, and completed within a year. As a result of this study, it should be possible to formulate a comprehensive program which sets airport noise measurement standards and develops new landing approach procedures, and new methods for reducing engine noise.

The Federal Government has the responsibility for research and development in this area. I believe eventually it will also have to find means for developing and assisting in financing a comprehensive program which places responsibility on local communities for the reduction of community airport noise problems through compatible land use programs in the vicinity of airports. This would involve land acquisition and redevelopment to uses to which the noise is not a problem.

I have touched on only some aspects of the new opportunities which creation of this Department presents to the aviation field. Similar opportunities are pro-

vided for the other modes of transportation as well. If we are to capitalize on these opportunities, we must act now to pass this legislation establishing this new Department.

I am confident that the matters I have discussed will receive the careful attention they deserve in the new Department and that new legislative proposals to meet our pressing aviation needs will be presented to the President and the Congress at the earliest possible opportunity.

I want to thank the Senator from Washington and the Senator from South Dakota for yielding to me.

Mr. JACKSON. I wish to compliment the able Senator from Massachusetts for his helpful remarks on the bill concerning transportation policy.

Mr. BREWSTER. Mr. President, for myself and the distinguished Senator from Louisiana [Mr. LONG] I send to the desk 10 amendments to the pending bill and ask that they be stated en bloc.

The PRESIDING OFFICER. Is there objection to the reporting of the amendments en bloc?

Mr. MUNDT. Mr. President, may I ask the Senator from Maryland, Do they all pertain to the same subject matter, or are they scattered throughout the bill?

Mr. BREWSTER. They are all on the same subject matter but they are scattered throughout the bill. I intend to explain them.

Mr. MUNDT. But they all deal with the same general subject?

Mr. BREWSTER. They all deal with the Maritime Administrator.

Mr. MUNDT. I have no objection, Mr. President.

The PRESIDING OFFICER. The amendments will be stated en bloc by the clerk.

Mr. BREWSTER. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendments will be printed in the RECORD at this point.

The amendments submitted by Mr. BREWSTER are as follows:

1. Page 36, line 25, Subparagraph 1 of subsection (e) of Section 3: Strike the words "The Secretary shall establish * * *" and insert in lieu thereof the following: "There is hereby established * * *".

2. Page 37, line 24 through page 38, lines 1 through 3, Subparagraph 3 of Subsection (e) of Section 3: Strike the language to be found in Subparagraph 3 appearing on page 37, lines 24 and 25, through to page 38, lines 1 through 3, inclusive, and insert in lieu thereof the following: "The Administrators and the Commandant of the Coast Guard shall carry out such functions, powers, and duties as are specified in this Act and such additional duties as the Secretary may prescribe."

3. Page 41, line 21, Subsection (c) of Section 4: Strike the term "Orders" and insert in lieu thereof the following: "Except as otherwise provided in this Act, orders * * *".

4. Page 42, line 7, Subsection (d) of Section 4: Strike the term "In" and insert in lieu thereof the following: "Except as provided in this Act, in * * *".

5. Page 50, line 2, Subsection (a) of Section 6: Strike the term "There" and insert in lieu thereof the following: "Except as limited and restricted herein, there * * *".

6. Page 54, line 9, Subparagraph (B) of Paragraph (5) of Subsection (a) of Section 6: Add to the end of Subparagraph (B) the following: "Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in Subparagraph (A) of Paragraph (5) of this Subsection, but not including the functions hereafter transferred to the Maritime Board in Subparagraphs (C) and (D) of this Subsection, shall be administratively final, and appeals as authorized by law, including this Act, shall be taken directly to the Courts. In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department."

7. Page 54, line 19, strike the terms "The administration of * * *" and insert in lieu thereof the following: "All functions relating to findings and determinations with respect to loan and mortgage insurance under * * *."

8. Page 66, line 22, Subsection (h) of Section 7: Strike the terms "Notwithstanding any other provision * * *" and insert in lieu thereof the following: "The provisions of the Administrative Procedure Act (60 Stat. 237; 5 U.S.C. 1001 et seq.) shall be applicable to proceedings by the Department and any of the Administrations or Boards within the Department established by this Act except that notwithstanding this or any other provision * * *."

9. Page 67, line 16, Subsection (a) of Section 7: Insert the following immediately after the term "Secretary": " * * *, subject to the provisions of Section 4 of this Act, * * *."

10. Page 75, lines 14 through 17, Paragraph (1) of Subsection (f) of Section 9: Strike the language to be found on lines 14 through 17, inclusive, and insert in lieu thereof the following: "Except where this Act vests in any Administration, Agency or Board, specific functions, powers, and duties, the Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or vested in the Secretary in this Act, delegate any of his residual functions, powers and * * *."

Mr. BREWSTER. Mr. President, I will explain the amendments.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. BREWSTER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Maryland will state it.

Mr. BREWSTER. What is the unanimous-consent agreement?

The PRESIDING OFFICER. Fifteen minutes to each side on each amendment.

Mr. BREWSTER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 10 minutes.

Mr. BREWSTER. Mr. President, before explaining the amendments, I should first like to congratulate the Senator from Washington on his very able presentation of the entire bill. I should also like to comment on the bill generally.

Mr. President, the pending bill, S. 3010, if enacted, would have a tremendous and incalculable impact upon our economy. It contemplates gathering into one department most of the agencies which are concerned with our national transportation system. It is conceivable that this consolidation of transportation agencies could have a healthy and far-reaching

effect, and result in a coordinated transportation system. For this reason, there are few who disagree with the announced objective of this legislation. No sane person could oppose a carefully, wisely, and scientifically coordinated transportation system which would enable the components of our economy to transport people and goods to all parts of our land, and to all parts of the globe.

However, the actual bill before us, S. 3010, shows on its face that it is the product of undue haste and great confusion. Many of its provisions are contradictory. Many of them have not been properly integrated into the bill itself, or coordinated with the requirements of the legislative objective.

Let me point out a few examples:

Section 4(b) (2) of the bill provides:

Nothing in this Act shall be construed to authorize without appropriate action by Congress, the adoption, revision, or implementation of any transportation policy, or investment standards or criteria contrary to or inconsistent with any Act of Congress.

The last clause which I have emphasized says, if language has meaning, that the proposed Secretary of Transportation cannot change Government investment standards or criteria contrary to existing law without appropriate action by Congress. But section 7(a) provides:

The Secretary shall develop and from time to time in the light of experience revise standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment. . . .

If language has any meaning, the provision I have just quoted means that the Secretary, based on his own experience, without resort to Congress, can adopt and implement investment standards contrary to existing law without appropriate action by Congress. If these two provisions are not in direct and irreconcilable conflict, then light is dark, and sweet is sour.

Section 3(e) (1) provides that the Secretary shall establish within the proposed Department a Highway Administration; a Railroad Administration; a Maritime Administration; and an Aviation Administration.

Section 3(e) (3) provides that the Administrators, and so forth, shall carry out such functions, powers, and duties as the Secretary may prescribe, and such additional functions, powers, and duties as specified in this act.

If language has meaning, this subsection means that the Secretary will be the head of the Department, that the Administrators will be his subordinates, and that they shall perform as he directs them.

Section 6(c) provides that:

Decisions of the Federal Aviation Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in this subsection . . . shall be administratively final. . . .

If language has meaning, this provision would create an Aviation Administrator who was administratively independent of the Secretary.

Such examples could be multiplied indefinitely.

But, in my opinion, the most serious defect of the legislation is that the Maritime Administration—as distinguished from the Maritime Board, which has subsidy functions—would be buried in the proposed new Department without independence, without power, without the means of formulating policy, devising programs, or facing up to the tragic demise of the American-flag merchant marine which, and I do not exaggerate, is now in its last throes.

With respect to the Maritime Administration, the pending bill is confusing beyond description. For example, section 6(a) in the prefatory language would transfer all functions, powers, and duties with respect to existing maritime law, listed in section 6(a) (5) (A), to the Secretary of Transportation.

Section 6(a) (B) transfers the same functions, powers, and duties to the Federal Maritime Administrator. To transfer power by statute to two separate officers is to fall between two stools.

If this legislation is enacted, who will formulate maritime policy, who will administer it, who will save the American merchant marine? I challenge the authors to answer these questions.

Under this legislation the Maritime Administrator would be what he is now, a mere office boy, carrying messages to and from the Secretary. He would have no independent power of decision. Every action of his would be appealable to the Secretary of Transportation who has manifold other duties to perform and will therefore be unable to dedicate himself to the revival of the American merchant marine.

Certainly, it is unnecessary for me to recite the facts and figures which prove that the American merchant marine is now near demise. Our ships carry less than 10 percent of our foreign commerce. Our tramp ships carry about 5 percent of our international bulk cargoes, which constitute by far the biggest percentage of our foreign trade. Our tankers, many of them new and efficient because they were built to meet the Suez crisis, carry about 3 percent of our oil imports. These bulk cargoes constitute the sinews of war. It is therefore no exaggeration to say that our national defense depends upon foreign-flag ships. The availability of foreign-flag ships to us in time of crisis is a myth and a delusion, and this fact has been proved by every crisis in our history, including the confrontation with Russia in Cuba and the Vietnam war. The ships of many of our allies are now carrying indispensable cargoes to North Vietnam. The ships of our allies have refused, in several instances, to carry our military cargo to South Vietnam. To depend upon foreign-flag ships in the event of war emergency is like asking the enemy for aid and assistance.

I have therefore prepared a series of amendments which would constitute a Maritime Administration, within the Department of Transportation, which would be independent, which would be invested with decisional finality, and which would be capable of meeting the maritime emergency which threatens us.

Section 3(e) (1) provides that the various administrations, which I have enu-

merated, would be established by the Secretary. This means, of course, that he could delay such establishment or, presumably, having established an administration, could disestablish it. My first amendment would establish the administrations by statute.

Section 3(e) (3) provides that the Administrators, and so forth, shall carry out such duties as are prescribed for them by the Secretary, and such other duties as are specified by the act. This wording, in my judgment, undermines the independence of all the Administrators. My second amendment, therefore, would provide that the Administrators and the Commandant of the Coast Guard shall carry out such functions, powers and duties as are specified in this bill and such additional duties as the Secretary may prescribe. The purpose of the amendment is to vest, by statute, the primary functions, powers, and duties in the appropriate Administrators and the Commandant, and then authorize the Secretary to prescribe additional duties.

Section 4(c) provides that orders and actions of the Secretary or the National Transportation Safety Board shall be subject to judicial review to the same extent that the agencies now performing these functions are subject to such review. This is in conflict with other sections of the bill which give greater administrative and decisional independence than the agencies now performing these functions have. My amendment would attempt to reconcile this conflict by providing that no existing law granting judicial review shall be in conflict with the provisions of this bill.

Section 4(d) provides that the actions of the Secretary, the Administrators, and the Safety Board shall have the same authority as is now vested in the agency performing the functions transferred to the proposed new Department. In the case of the Maritime Administration, as now constituted, the actions and the decisions of the Administrator have no finality, but are all appealable to the Secretary, who frequently overrules them. There will be no improvement in the functional efficiency of the Maritime Administrator if this appeal to the Secretary is left intact. My fourth amendment would therefore provide that the independence invested in the Maritime Administration, as in all other administrations, would not be eroded or destroyed by the lingering of old and futile appeals.

As I have previously stated, the prefatory language in section 6(a) transfers and vests in the Secretary all functions, powers, and duties of the Secretary of Commerce, including the maritime functions. In order to reconcile this prefatory language with an independent maritime agency, my fifth amendment would therefore insert at the beginning of section 6(a) the language "except as limited and restricted herein," so that the independence of the Administrations would be clear and unambiguous.

Section 6(a) (5) (B) of the bill would transfer to the Federal Maritime Administrator the functions, powers, and duties of the Secretary of Transportation

under section 6(a), but there is no definition or explanation of the extent of the powers or the degree of independence of the Federal Maritime Administrator. My sixth amendment would therefore provide that decisions of the Administrator would be administratively final, and that such appeals as are authorized by law, including this bill, would be taken directly to the courts. This would eliminate the unnecessary and frustrating right of appeal from the Administrator to the Secretary. In drafting this amendment I have used the language of the bill as applied to the Federal Aviation Agency, the National Transportation Safety Board, and the other Administrations. The amendment would also expressly invest the Maritime Administrator with independence of the Secretary and all other officers of the new Department in the exercise of his functions, powers, and duties.

My seventh amendment relates to the powers of the proposed Federal Maritime Board, which would be charged with the duties of administering the construction and operating differential subsidies of the 1936 act, as well as title XI of the same act which provides for mortgage insurance. The amendment refers only to the language of the bill relating to title XI, and would invest the Maritime Board with the functions of findings and determinations with respect to loan and mortgage insurance, rather than administration.

My eighth amendment is a perfecting amendment to section 6(h) of the bill, and would simply provide that the Administrative Procedure Act shall be applicable to proceedings by the Department and all of the components.

My ninth amendment is designed to reconcile the conflict I previously pointed out between section 4(b) (2) and section 7(a) with respect to investment standards. It would insert after the word "Secretary" the language "subject to the provisions of section 4 of this act."

My 10th amendment is designed to clear up another confusion in the existing bill. While the bill, as we have seen, purports to transfer, not only to the Secretary, but to the Maritime Administrator, certain specific functions, powers, and duties, section 9(f) (1) purports to authorize the Secretary to delegate and redelegate all authority covered by the act at his discretion. My amendment would provide that, where specific functions, powers, and duties are transferred by the statute to specific administrators, the Secretary would have no authority to disregard the statute and engage in discretionary delegations and redelegations.

Mr. President, Senators will remember that the House of Representatives passed a bill which established an entirely separate maritime agency. My amendments would do this also. We would continue under the overall authority of a Secretary of Transportation with the four basic Administrations of trucking, planes, rails, and ships. But in the case of shipping, we would put it on an equal basis with the authority which the other three Administrations have. Most of the amendments I have pertained solely to the authority of the Maritime Admin-

istrator to determine what degree of independence, if any, he is to have.

The amendment that sets this out is amendment No. 6 on page 1 of the amendments which I have sent to the desk. In brief, this amendment states:

Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated . . . shall be administratively final and appeals as authorized by law, including this Act, shall be taken directly to the Courts. In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department.

Mr. President, I think these amendments establish a reasonable compromise between the position of the administration and the House bill. I believe that the amendments, if accepted by the Senate and by the Senator from Washington, will, of course, be acceptable to the House of Representatives.

Thus, we will have an overall transportation bill with a new Cabinet officer—a new Secretary—but we would also have an effective way to deal with our merchant marine policy.

Mr. BARTLETT. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I am happy to yield to the Senator from Alaska.

Mr. BARTLETT. I desire to congratulate—and heartily—the Senator from Maryland for offering the amendments which, in my judgment, are absolutely necessary in order that the maritime industry may have proper representation within the new Department, and that the Administrator may have authority, as has been pointed out, on a parity with those responsible for other modes of transportation.

As the Senator has pointed out, he has not even sought to do that which the House did by its vote; namely, to divorce the Maritime Administration from the new Department of Transportation entirely. He has taken another course, a course which, I trust, will be acceptable to the committee. It would be my hope that the Senator in charge of the bill will be willing to accept the modified amendments and, if this is done, I am confident that the maritime industry and its whole structure will have an opportunity not only to survive but also to grow and to expand—which is so essential to the best interests of this Nation—in a manner that otherwise would not be possible.

I believe it would not be possible under the present language.

Once more, I think the maritime industry owes a debt of gratitude to the Senator from Maryland for saying what he has said now and for offering the amendments.

Mr. BREWSTER. I thank the distinguished Senator, chairman of the Merchant Marine and Fisheries Subcommittee of the Commerce Committee, for his comments.

I wish to ask the manager of the bill, the Senator from Washington [Mr. JACKSON], if these amendments would be acceptable.

Mr. JACKSON. Mr. President, first of all, I want to associate myself with the

remarks of the able Senator from Alaska regarding the interest and leadership of the Senator from Maryland [Mr. BREWSTER] in the whole maritime field. I know of his long and continuing concern with this problem. I do not know of any area of transportation where there is a greater need to resolve a more troublesome situation than in the maritime field.

I regret I cannot accept the amendments presented en bloc in their present form. To accept the amendments now before the Senate would establish a situation in which we would be putting the Federal Maritime Administrator in a special category. He would be completely isolated from the Secretary of Transportation. He would have authority that would go far beyond the authority of the other modal Administrators.

I would accept an amendment to his amendment, which he could offer as a separate amendment, if he wished, to give to Maritime Administrators decisions of administrative finality where he is engaged in those functions which call for notice and hearing.

This is the whole philosophy we have tried to adhere to in this bill. In other words, where there is a quasi-judicial proceeding, the modal Administrator's decision would be final, and the appeal would be directly to the court. That makes sense. This is what we have provided as to the other modes. I do not think an appeal should be routed first to the Secretary and then to the court.

As to quasi-judicial matters, this is a field in which the Administrator should have authority. We have given such authority to the other modal Administrators. I cannot, in my mind, justify an exception.

However, I would be willing to accept the amendments that are in the nature of technical amendments which the Senator from Maryland has presented. I will take them to conference. I have not had an opportunity to go into the technical amendments. I received them about noon today. They require careful review.

Mr. BREWSTER. I thank the Senator from Washington. Of course, I would prefer to have my amendments accepted as originally presented. I believe the Maritime Administrator should have independence of action, which he would have under my amendment. It is my understanding the amendments are not acceptable, but that if I modify one of them, they would be acceptable. I believe I have a right to modify my own amendment.

Therefore, I ask the clerk to strike out in its entirety amendment No. 5, and to rewrite amendment No. 6, as follows:

Page 54, line 9, Subparagraph (B) of Paragraph 5 of Subsection (a) of Section 6: Add to the end of Subparagraph (B) the following: "Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in Subparagraph (A) of Paragraph (5) of this Subsection, which involve notice and hearings, but not including the functions hereafter transferred to the Maritime Board in Subparagraphs (C) and (D) of this Subsection, shall be administratively final, and appeals as authorized by

law, including this Act, shall be taken directly to the Courts.

What I have done here is to cover situations which only involve notice and hearing and stricken out the words that were obnoxious to the Senator from Washington, namely:

In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department.

The PRESIDING OFFICER. The amendment No. 6 of the Senator from Maryland is so modified.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. JACKSON. I appreciate the modification of the amendment which he has just made. I understand the Senator agreed to strike out amendment No. 5, which is on page 50, line 2; is that correct?

Mr. BREWSTER. That is correct.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MUNDT. While there has been a series of 10 amendments offered, of which 1 has now been eliminated and 1 has been changed, is there anything in the 8 remaining amendments in the package of amendments offered which is inconsistent with the provisions at the desk?

Mr. BREWSTER. I am glad the Senator has asked that question. No; they are entirely consistent.

Mr. JACKSON. Mr. President, that is my understanding.

I want to make it clear to the Senator from Maryland that I am willing to take to conference the technical amendments, which have been included, with the understanding that in the meantime we will look into them to make certain that they are of a technical nature, and not of a substantive nature.

The Senator from Washington believes that there is merit in the amendment the Senator offers; namely, that, in those matters in which the Maritime Administrator is required to give notice and hearing, his decisions are to be administratively final and appeal is directly to the court, which, in accordance with the Administrative Procedure Act, would be to the circuit court of appeals. That particular amendment is in keeping with what we have offered in this bill, and will be taken to conference.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. LAUSCHE. It seems that the Senator from Washington is contemplating accepting the amendments. Before he does so, I should like to ask him a few questions. The first question is, Is it the purpose of the bill to place the transportation services of the Federal Government under one executive head who shall coordinate the activities?

Mr. JACKSON. The Senator is correct, in general.

Mr. LAUSCHE. And it has been the purpose of the bill, as presented by the committee, to treat the different transportation services identically?

Mr. JACKSON. In general, the Senator is correct. Obviously, this is not literally possible because of the historic differences that exist among the modes of transportation.

Mr. LAUSCHE. Primarily, the modes of transportation embraced are, generally, highway truck transportation, waterway transportation, railroads, airlines, and, in a measure, pipelines.

Mr. JACKSON. The Senator is correct. The Interstate Commerce Commission has certain functions in that regard.

Mr. LAUSCHE. Yes. The acceptance of the proposed amendment of the Senator from Maryland will not place the water carriers in a preferential position over that accorded to other modes of transportation, will it?

Mr. JACKSON. The Senator is correct. Because the distinguished Senator from Maryland has offered a number of what he describes as technical amendments, the Senator from Washington does not have the time to review carefully and in depth, the impact of all of the technical amendments. I want to make certain that they are technical amendments, but I assure the Senator from Ohio that the differences as he has stated regarding the policy we are following, briefly, are these:

We divided the functions into two categories. The Secretary of the proposed Department is to be responsible for any administrative matters. In quasi-judicial and quasi-legislative matters, the decisions of the modal Administrators would have administrative finality. Appeals from decisions of the modal Administrators would go directly to the courts. We strongly believed that there was no sense in requiring that appeals go first to the Secretary. This is the philosophy we have endeavored to follow, and I would insist that it be followed with respect to the maritime program as it is with respect to the other modes of transportation.

Mr. LAUSCHE. My final question is this: Can the Senator from Ohio be assured that by the acceptance of these amendments there is no purpose to give specific preference, concerning what the new Department will do, to the water carriers over that given to the railroads, the truckers, and other methods of transportation?

Mr. JACKSON. The Senator is correct.

Mr. LAUSCHE. I thank the Senator. Mr. BREWSTER. Mr. President, do I still have the floor?

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. BREWSTER. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Maryland has 1 minute remaining.

Mr. BREWSTER. In conclusion, Mr. President, I would say the amendments I have offered, which seem to be acceptable, merely place the maritime industry on the same footing with other modes of transportation. It is not our intention to give them any preferential treatment whatsoever. This has nothing to do with the substantive matter whatever;

it merely gives the Maritime Administrator some ability to revise our maritime policy and rebuild our maritime fleet.

I yield back the remainder of my time.
Mr. JACKSON. Mr. President, I wish to say that I am very pleased to take this entire matter to conference, and I hope that in conference we can reach an equitable resolution of this very difficult problem that exists in the maritime field.

On that basis, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to amendments, as modified, of the Senator from Maryland.

The amendments, as modified, were agreed to en bloc.

Mr. MUNDT. It has been called to my attention that on page 43 of the bill, where we include wildlife and waterfowl refuges with public parks, recreation areas, and historic sites in protecting them from anything that might be in the nature of a detraction from their natural beauty and purpose, we did not include, on line 21, the same language with reference to wildlife and waterfowl refuges which was included elsewhere.

Therefore, I propose an amendment, on line 21 of page 43, after the words "recreational area," to add the words "wildlife and waterfowl refuge." That would bring that subsection into harmony with the remainder of the bill. I say to the distinguished Senator from Washington, the acting floor manager of the bill, that I am referring to the matter which we have discussed heretofore, and I believe we are all in agreement.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. On page 43, at the end of line 21, to add the words "wildlife and waterfowl refuge."

Mr. JACKSON. Mr. President, I understand the matter now before the Senate is the clarifying amendment proposed by the Senator from South Dakota. I think the amendment is helpful, and I am pleased to accept it.

I yield back the remainder of my time.

Mr. MUNDT. I yield back all the remainder of my time except the 10 minutes I promised the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President—

Mr. CLARK. Mr. President, will the Senator yield 30 seconds to me before he does that?

Mr. JACKSON. Mr. President, I had promised to yield to the Senator from Pennsylvania.

Mr. MUNDT. Mr. President, before we proceed, could we have a vote on my amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. CLARK. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. BYRD of West Virginia. What about the 10 minutes the Senator from South Dakota yielded to me?

The PRESIDING OFFICER. The Chair will state that we are confronted here with a rather strange parliamentary creature. The Senator from West Virginia has the floor, except that he yielded 2 minutes to the Senator from South Dakota. The 10 minutes yielded to the Senator from West Virginia are still very much in effect.

Mr. MUNDT. Mr. President, to clarify the situation, I yield 10½ minutes to the Senator from West Virginia, 30 seconds of which may go to the Senator from Pennsylvania.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming yield me 5 minutes?

Mr. SIMPSON. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, the Department of Transportation bill we are considering today is very important to Members of Congress from the Midwest because the proposed Department will have a substantial impact on the way in which the St. Lawrence Seaway is developed.

I am very pleased with the action taken by the Senate Government Operations Committee to give the Seaway Development Corporation an independent status within the proposed agency. On the other hand, I am apprehensive over the treatment the seaway may receive from the Secretary of this new Department.

All those who have fought for the seaway over the years were shocked by the Under Secretary of Commerce for Transportation's support for a 10-percent increase in seaway tolls at a time when American-flag shipping on the seaway has fallen from 29 ships last year to 12 ships so far this year. Under Secretary Boyd's remarks, when testifying on the Mondale bill to recapitalize the seaway, raised the prospect of serious underutilization of the seaway with resulting lower income despite higher tolls.

I am particularly concerned about the fact that there will be an adverse effect on ports throughout the Great Lakes if this procedure is followed. I include some eight ports in the State of Wisconsin.

A Secretary of Transportation who is fully sympathetic to the problems and potentialities of this "fourth seacoast" can do tremendous good for the economy of the Midwest and the Nation as a whole. On the other hand, a Secretary who merely considers the seaway as a moneymaking proposition, and nothing else, could do unmitigated damage to midwestern economic interests.

Mr. President, I point out that the amount involved from the standpoint of the Treasury is very little, probably \$600,000 a year. However, the impact on the seaway could be devastating for transportation on this great body of water.

The Department of Defense has recently initiated a system of competitive bidding for ocean shipment of military cargo. This type of competition would greatly aid flag shipping on the lakes. The lakes had been virtually eliminated

from the previous negotiated-bid system by East Coast Shipping Conference tactics.

A sympathetic Secretary of Transportation could improve conditions for shipping military cargo through the seaway through his consultations with the Department of Defense as well as with the other concerns and agencies involved.

Mr. President, I ask the distinguished Senator from Washington, the manager of the bill—who, I think, has done a highly competent job as he always does on Senate legislation—if he would agree that the Department of Transportation is being set up in this bill to provide fair treatment for all modes of transportation in all areas of the country where transportation is competitive.

Mr. JACKSON. As the Senator from Wisconsin is probably aware, I voted for and supported the legislation setting up the St. Lawrence Seaway project.

I think that it is a very important undertaking. I believe it is, indeed, a part of our national transportation program.

I can only express the very strong hope that the new Secretary of Transportation, provided for in the pending bill, will see to it that there is no discrimination between modes of transportation.

The new Secretary should look very carefully into the problem posed by the distinguished Senator from Wisconsin, concerning the proposed increase of tolls. If this is to affect the proposed overall policy that Congress laid down in the treaty that was approved in connection with the St. Lawrence Seaway project, I would be greatly disappointed.

I think it is important that the new Secretary of Transportation treat the various modes of transportation fairly and equitably in the national interest.

I do not think that one mode should be singled out over another. The overriding consideration should be the national interest of this country and what is best in the public interest.

Mr. PROXMIRE. I thank the distinguished Senator from Washington very much.

The St. Lawrence Seaway is the only waterway in the country, to my knowledge, which is required to pay a toll and required to pay back every penny that the Federal Government invests.

The other waterways get an outright subsidy. We feel that the tolls should be kept at their present level and that a very modest stretchout in repayment should be provided.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming yield me 3 additional minutes?

Mr. SIMPSON. Mr. President, I yield the Senator from Wisconsin 3 additional minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 additional minutes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following excellent articles on the seaway problem, written by Alan Emory, an extraordinarily able reporter of the *Watertown Times*, be printed at this point in

the RECORD: "Seaway Senators Arming To Battle Military Cargo Cut"; "United States To Back Seaway Hike Conditionally"; "L.B.J. Held Only Block To Seaway Toll Hike"; and "Time Is Running Out in Seaway Toll Battle."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

**SEAWAY SENATORS ARMING TO BATTLE
MILITARY CARGO CUT**

(By Alan Emory, Times Washington correspondent)

WASHINGTON.—Seaway area senators are lining up to fight a bill that threatens the future expansion of military cargo shipments from the Great Lakes and St. Lawrence river ports.

The bill has already been cleared by the senate commerce committee. It would require the defense department to scrap its new policy of competitive bidding to carry military cargo on American flag vessels and return to a long standing policy of negotiated contracts.

Sen. WILLIAM E. PROXMIER, D., Wis., has already told Senate Majority Leader MIKE MANSFIELD, D., Mont., that he is ready to talk at length against the measure.

Sen. PHILIP A. HART, D., Mich., commented that, despite sweeteners in the bill for seaway area lawmakers, "I am reluctant to deny to the secretary of defense the opportunity to test the application of the basic proposition that competitive bidding is the soundest business method."

The Pentagon, Federal Maritime commission, Maritime administration and General Accounting office have opposed the bill.

The bill was pushed by Atlantic, Gulf Coast and west coast shipping combines.

The committee majority called the competitive bidding practice "a new and highly hazardous method" that would "fly in the face of history" and lead to "destructive competition, the bankruptcy of transportation firms, the reduction or elimination of service and illegal preferences which favor the large shipper over the small."

The majority argued that competitive bidding for liner cargo "inevitably drives rates below costs." It claimed the bill did not change the requirement that military cargo be shipped in American flag vessels manned by American seamen and meeting American safety standards.

Furthermore, the majority claimed, the bill would require equal consideration for the seaway area in allocating military overseas cargoes, rather than basing awards on past history, since the Great Lakes area has not had regularly scheduled sailings.

The prize is a potentially rich one. The seaway area has seen its share of defense cargoes gradually decline as the total increased.

Defense cargoes are now transported at a cost of about \$400,000,000 a year. Arrangements are made by the Military Sea Transport service.

On April 4 the defense department said it would start competitive bidding for overseas military shipments to lower transportation posts.

The committee majority, sparked by Senate Commerce Committee Chairman WARREN G. MAGNUSON, D., Wash., and Sen. DANIEL BREWSTER, D., Md., argued that the defense department movement of air cargo under competitive bidding has produced a "chaotic" situation and six years ago it got together with the Civil Aeronautics board to develop a "stable rate system."

The committee said Great Lakes ports had suffered in obtaining military cargo because they were not considered as a separate seacoast. The bill provides such consideration to "encourage the use of Great Lakes ports

along with those on the other coasts for the loading of military cargo," the report says.

The language, however, has not convinced the Great Lakes senators.

Sen. FRANK J. LAUSCHE, D., Ohio, said the shipping combines supporting the bill wanted to protect a monopoly situation.

Past cargo policies, he commented, had strangled competition and proved "a very expensive way to destroy the American merchant marine."

UNITED STATES TO BACK SEAWAY HIKE

CONDITIONALLY
(By Alan Emory)

WASHINGTON.—The Johnson administration is preparing for negotiations with Canada in which the United States will conditionally approve a ten per cent increase in St. Lawrence seaway toll rates.

However, the U.S. is prepared to do some hard bargaining on the Canadian proposal to levy lockage fees at the Welland canal, and the guessing is that negotiations will balance the toll increase and the agreement to give Canada an extra penny out of every revenue dollar from the seaway against the lockage fee.

If Canada receives 72 per cent of the seaway revenue starting next year, instead of the 71 per cent that country has been receiving, the increased take could come to about \$150,000 a year immediately and rise in future years.

The administration is getting ready to shift future seaway toll talks to the diplomatic level, informed sources here said today.

Although the policy basis for the U.S. position is expected to include the higher toll structure, as demanded by Canada, the commerce department and American seaway officials are under heavy pressure to withhold approval for another year.

The administration's bowing reluctantly to the toll increase will bring an angry reaction in the midwest and some areas of Canada. Only six of 61 witnesses at public hearings in Chicago in June favored higher tolls, and only two of 48 witnesses in Ottawa.

All through two days of hearings before a senate public works sub-committee, which ended Wednesday, lawmakers, governors, port experts and businessmen called for a complete new evaluation of the Seaway-Great Lakes policy and future by the United States and Canada.

Sen. DANIEL K. INOUE, D., Hawaii, who presided at Wednesday's session, said the committee would call on the state department to initiate talks with Canada on the whole problem.

Although the hearings centered on legislation designed to freeze toll rates at the Jan. 1 level, refinancing the seaway through the issuance of capital stock, in place of the present revenue bonds, and make the government investment permanent, instead of requiring the project to pay out after 50 years, many seaway backers agreed that the importance of the sessions was their focusing a bright spotlight on the seaway's problems and their need for a cure. Most of these problems are financial caused by a pile-up of bond interest that prevents the seaway from operating in the black.

Gov. George Romney of Michigan sent a letter to the committee supporting the bill as a means of "holding the line" on tolls, but urging the abolition of all tolls in the future.

**L.B.J. HELD ONLY BLOCK TO SEAWAY TOLL
HIKE**

(NOTE.—This is the first of two articles on the controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent in 1967. Only a stop order by President Johnson can prevent United States from agreeing to the proposal, according to present thinking in Washington.)

(By Alan Emory, Times Washington correspondent)

WASHINGTON.—Only a stop order from President Johnson can prevent the United States from agreeing with a hotly controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent, starting with the 1967 shipping season.

Working echelon administration officials are preparing the ground for negotiations with Canada that would confirm the increase. Alan S. Boyd, under secretary of commerce for transportation, who will probably head the new department of transportation, is on record favoring the increase.

United States and Canadian seaway agencies have reports showing the increase will not scare off increasing cargo and revenues and will enable the project to meet the legal requirement that it pay for itself within 50 years.

However, congressmen and senators from the seaway section are fighting a desperate rear guard action to delay the increase. They claim it would wreck the seaway just as it begins to compile an impressive record of steadily increasing traffic and revenues from ship tolls.

They propose to knock out the 50-year pay-out requirement and refinance the project by substituting capital stock for the outstanding bonds and unpaid interest totaling \$18,800,000.

It is the ever-increasing interest backlog that has prevented the seaway operation from moving into the black ink side of the ledger.

Canada has suggested a three-point program comprising higher tolls, a greater share of the seaway revenue and an escalating program of lockage fees on the all-Canadian Welland canal.

President Johnson's advisers are ready to recommend the U.S. go along with the higher tolls and the extra revenue for Canada—72 per cent in place of the 71 she has been receiving—if the Canadians will severely modify or eliminate the Welland fees.

There are no charges on the Welland now, but Canada has embarked on a modernization program that will cost half a billion dollars.

The seaway fight, however, has gone beyond the mere question of higher tolls, although that is the more emotional and dramatic issue. It has spilled over to the new transportation department, military cargo policy and the question of a new bilateral policy covering the whole Great Lakes-St. Lawrence area.

The president has given his support to a plan that would provide new prestige for the American seaway agency within the new transportation department. Seaway section lawmakers have threatened to filibuster the department bill unless that is approved.

They have also raised storm signals about the nomination of Mr. Boyd to head the department, with indications that if he does not change his tune about seaway tolls he may run into some strong opposition when the senate is asked to confirm him.

Another filibuster has been threatened against a measure approved by the senate commerce committee that would reverse a new Pentagon policy calling for competitive bidding for carrying military cargo by water.

Midwest lawmakers claim the competitive bidding could save the United States \$40,000,000 to \$50,000,000 a year, but port and ship combines from the east, west and Gulf coasts want to go back to negotiated bids to freeze out the seaway.

Sen. PHILIP A. HART, D., Mich., has successfully sponsored a move for an army engineer study of the possibility of enlarging or twinning U.S. seaway facilities and has suggested the U.S. look into sharing the Canadian burden of improved works at the Welland canal.

All of this will cost money at a time when the Johnson administration is trying to tighten up its budgets for the future.

A senate public works subcommittee completed two days of hearings on seaway problems last week.

Among the major questions not asked at the hearings were these:

Had the White House been informed in advance that Mr. Boyd supported the toll increase and was this approved or cleared?

Would the commerce department approve lifting the 50-year payout requirement, assuming no other change were made in the financing?

Just what do the expert predictions show a ten-percent toll increase would achieve in revenues and cargo?

TIME IS RUNNING OUT IN SEAWAY TOLL BATTLE

(NOTE.—This is the second of two articles on the controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent in 1967. Only a stop order by President Johnson can prevent United States from agreeing to the proposal, according to present thinking in Washington.)

(By Alan Emory)

WASHINGTON.—Time is running out for opponents of a toll increase on the St. Lawrence seaway.

The issue will soon be handed to the state department to negotiate on behalf of the Johnson administration, but the White House has kept silent on the president's position.

The only hint has been open support for the toll hike by Alan S. Boyd, under secretary of commerce for transportation, who is the effective policy boss of the seaway operation.

Mr. Boyd is considered a key man in the whole picture. It is widely believed that if congress approves a new cabinet-level department of transportation Mr. Boyd will be named to head it.

This could create some problems.

The American St. Lawrence Seaway administrator, Joseph H. McCann, has his reservations about the idea of boosting seaway tolls, but Mr. Boyd is for the boost.

Mr. McCann has declared publicly he would be "delighted" to see the seaway financing plan overhauled, with capital stock replacing revenue bonds and interest. Mr. Boyd has opposed legislation to accomplish the refinancing.

Mr. McCann signed a report to the commerce department including some of these positions, and Rep. HENRY S. REUSS, D., Wis., has charged the department with "suppressing" it and rewriting it. Mr. Boyd has denied the existence of the report, known within the seaway agency and the department as the "blue report."

The commerce department has, incorrectly, accused the St. Lawrence Seaway Development corporation of "leaking" the "blue report" to this reporter. The corporation told the department, accurately, it had not.

Administrator McCann, because of his subordinate position, has been unwilling to contradict commerce department officials in public or even to express his own views candidly. His half-hearted attempt to joke away his one public expression for the refinancing plan brought an immediate rebuke at last week's seaway hearing.

There has been confusion on both sides.

Mr. Boyd, trying to make a gesture of concession, has suggested the treasury pay for repairs to the Eisenhower lock on the seaway, which may reach a total of \$700,000 over the years. The work has to be done annually, and the costs have come out of ship tolls.

Unless the army engineers decide to sue the lock contractor and get the money back to the seaway corporation that way, the

only reimbursement to the agency would have to come from an army engineer appropriation. Appropriations are provided by congress, but Mr. Boyd declared no legislation would be necessary.

One of the seaway's senators' proposals is to subsidize part of the waterway operation by having taxpayer funds pay for maintenance—though not operation. Maintenance costs this past year came to about \$712,000.

Even some seaway backers have strong reservations about the wisdom of attempting such a subsidy.

Mr. Boyd said including the stock dividend interest in seaway tolls in the proposed plan would saddle the project with too much of a financial burden in the future, but all sides agree it would be nearly impossible to place a greater burden on the project than the current bond interest problem constitutes now.

Anti-seaway interests, except for the Association of American Railroads, have been willing to sit out this latest round and let the Johnson administration carry the ball for them.

They have concentrated, instead, on moves like trying to overturn the competitive bidding policy of the Pentagon on military cargo shipments.

All sides agree that there is not a chance in the world of congress' reaching a showdown on seaway refinancing this year. Even in the future it has to overcome such hurdles as the fact that the house public works committee chairman, Rep. GEORGE H. FALLON, D., Md., has been a long and bitter foe of the seaway.

The object of the refinancing bill is to hold seaway tolls down to their 1966 levels, but U.S. and Canada must soon reach an agreement on whether the tolls should be raised for the 1967 shipping season.

President Johnson has indicated sympathy with the seaway area governors and lawmakers but the time for sympathy has given way to the time for decision and policy-making.

The seaway's future is now the president's baby.

Mr. PROXMIRE. Mr. President, I must say with great regret that I am going to have to vote against the bill in spite of the fact that I recognize that there is a great deal of merit in it.

The bill would relieve some of the terrific burdens the President of the United States has in dealing with the large number of agencies which report to him.

The bill would consolidate these agencies. The bill would coordinate transportation, and provide the benefits of coordination. It would provide some benefits, I hope, for the St. Lawrence Seaway.

I shall vote against the bill because the pig jumped out of the barrel when I was discussing the bill with the Senator from South Dakota. It was revealed that section 7 would freeze into the law a provision which would make it much easier for uneconomic and wasteful waterway projects to be developed over the years at a cost of many billions of dollars to the American taxpayers.

Consequently, I must vote "no" on final passage.

I hope that the seaway will be given the attention and assistance by the new Secretary of Transportation that it so seriously needs. This would in no way be inconsistent with his mission to promote effective and efficient transportation in the United States. In fact, such an approach to the seaway should be a vital part of this mission.

Mr. MONRONEY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to state the amendment.

Mr. MONRONEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 74, line 3, strike out all of the language down to the end of the sentence on line 7.

On page 86, line 9, strike out "(46) Assistant Secretaries of Transportation (4)."

On page 86, after line 16, insert the following: "Section 5315 is amended by inserting below '(23) Assistant Secretaries of the Treasury (4)'; the following: '(24) Assistant Secretaries of Transportation (4)', and renumbering consecutively the remaining positions in said section."

On page 87, line 1, strike out "(81) Assistant Secretary for Administration, Department of Transportation," and insert in lieu thereof, "(5) Section 5316 is amended by inserting below '(28) Assistant Secretary of the Treasury for Administration,' the following: '(29) Assistant Secretary of Transportation for Administration,' and renumbering consecutively the remaining positions in said section."

Mr. MONRONEY. Mr. President, I compliment the distinguished senior Senator from Arkansas, the junior Senator from Washington, the junior Senator from Oklahoma, and the other members of the Government Operations Committee on the bill the committee reported to establish a Department of Transportation. The committee has done an excellent job of resolving the many complex and technical issues raised which have a vital bearing on the transportation policy of our Government and on the administrative structure created to promote, coordinate, and regulate the vast and varied U.S. transportation system. The committee bill is a marked improvement over the proposal originally submitted by the President, as well as the bill passed by the House of Representatives.

When the Senate Committee held hearings on the President's proposal, I testified in support of a Transportation Department. I pointed out, however, some features of the proposal, which I felt would have harmful effects on aviation safety and on the continued development of needed water resource projects through the United States. I proposed three amendments to the committee with regard to the serious deficiencies in the President's proposal.

I am gratified that the committee saw fit to include in its bill the substance of the amendments I proposed. My amendments were opposed by the administration. But in the modified form reported by the committee, I believe they improve the bill and do not hamper the authority of the Secretary to promote, coordinate, and improve our national transportation system.

That was the primary purpose for establishing a Department in the first place.

My first amendment would give to the new Federal Aviation Administrator the statutory authority and responsibility for the air safety functions now performed by the existing Federal Aviation Agency. These functions include the establishment and enforcement of air safety regulations, the operation of the air traffic control system, the allocation and control of airspace, and the licensing of aircraft and airmen.

These are functions which relate entirely to air safety. Placing the sole responsibility and authority for making decisions affecting air safety in the hands of the Federal Aviation Administrator, who is required by law to have an aviation background and aviation experience, will in no way impinge upon the primary responsibilities of the Secretary. The Secretary will have complete flexibility and authority to promote, coordinate, and supervise the many aviation activities of the Federal Aviation Agency and other Government agencies not related to air safety.

One of the main purposes for the Federal Aviation Act of 1958 was to place responsibility for air safety in the hands of one Federal agency, so that decisions could be arrived at promptly by persons skilled in aviation safety without the jurisdictional conflicts and jurisdictional voids which contributed so greatly to the unsafe condition of our airways prior to 1958. The committee bill also retains the present Government organizational structure, which was arrived at after a great deal of study and thought in 1958. This structure cannot be changed except pursuant to reorganization plan or statute. During the formative years of the Department, it is essential to keep the tried and proved aviation organization we now have.

The Federal Government is not involved in any other mode of transportation to the same extent or so directly as it is in the field of aviation. A new aircraft cannot be put into operation until it has been certified and declared safe by the Federal Government. A pilot, either commercial or general aviation, is not permitted to take the controls of an aircraft until he has completed the pilot-training requirements fixed by the FAA and passed the stringent FAA licensing test. A mechanic cannot work on an airplane without a license from the Federal Aviation Agency, which attests to his skill and ability to perform the intricate repairs required on today's generation of complicated aircraft.

An airplane cannot take off until it has received clearance from a Federal employee in an airport control tower. It cannot pass from one region of the country to another, thousands of feet above the ground, without the approval of the air traffic controller who has tracked its course across the country. It cannot land without permission from an FAA man in the airport tower.

This type of day-to-day, minute-to-minute involvement of the Federal Government in the operation of our national air transportation system distinguishes

aviation from the other modes of transportation. It is reason enough for the carefully considered and meritorious amendments made by the Government Operations Committee.

In another important area affecting air safety, the committee amended the President's proposal to place all the Civil Aeronautics Board's air safety functions in the new National Transportation Safety Board, which will be independent of the Secretary. At the present time the CAB, in addition to passing on appeals from licensing and certification decisions made by the FAA, has the statutory responsibility to investigate aircraft accidents and to determine their probable cause.

The administration proposed to separate aircraft accident investigation from the determination of probable cause. This would have been contrary to the purpose of the Federal Aviation Act. That act placed full responsibility for these matters in a board completely independent of the agency responsible for the operation of the airways, the allocation of airspace, safety regulations, and the licensing of aircraft and airmen.

In some instances the probable cause of an aircraft accident is attributed to the FAA. The Congress in 1958 decided that this Agency, which was responsible for the operation of the national aviation system, should not be placed in the position of investigating itself.

The committee amendment would maintain the same relationship between the Safety Board and the Secretary as now exists between the CAB and the FAA. The CAB Bureau of Safety would be transferred to the Safety Board, and the Safety Board would investigate aircraft accidents, as well as determine probable cause.

I consider the committee amendments on aviation highly important. As I indicated to the committee when I testified in May, I would find it extremely difficult to support the bill without their inclusion. I hope they will receive the approval of the Senate. I urge the Senate conferees to oppose any effort to eliminate them in conference.

The committee bill also contains an amendment to section 7 relating to transportation investment standards, which would exempt water resource projects from the standards and criteria to be developed by the Secretary for the investment of Federal funds in transportation facilities and equipment. The committee bill provides that the Water Resources Council will develop standards and criteria for economic evaluation of water resources projects. It writes into law the "current freight rate" formula which existed prior to November 1964, in determining the primary direct navigation benefits of a water resources project.

Since this formula was abandoned, there has not been a single water resources project approved. The new formula imposed by the Bureau of the Budget has resulted in a complete stoppage of any new water resources development in the United States. I applaud the senior Senator from Arkansas and my colleague, the junior Senator from Okla-

homa, who were so instrumental in getting this important amendment into the committee bill. I am sure that they will advocate it in conference and persuade the House conferees that it is necessary, if we are to develop and improve the navigable waterways of our Nation.

The able chairman of the Senate Government Operations Committee has been so cooperative and understanding about the amendments I proposed that I hesitate to raise another point about his committee's bill. I am compelled to do so, because of a longstanding policy of the Senate Post Office and Civil Service Committee with respect to the creation of additional grades 16, 17, and 18—the so-called supergrades—in bills authorizing new Government programs or the expansion of existing programs.

The committee bill would authorize the creation of 45 additional supergrades to be allocated by the Civil Service Commission to the new Department of Transportation. This is a matter which comes under the jurisdiction of the Senate Post Office and Civil Service Committee. The committee has made a practice of objecting to such provisions in general authorization bills, as the committee has primary responsibility for maintaining control over the total number of supergrade positions.

Just this month an additional 300 supergrade positions were approved by the Congress. This legislation went through the Senate Post Office and Civil Service Committee.

I am aware that additional supergrades may be needed next year to staff the different programs and activities approved by the 89th Congress. The Senate Post Office and Civil Service Committee will consider legislation to increase the number of supergrades to be made available for all Government departments and agencies, including the new Department of Transportation, the first part of next year.

In view of this and the committee's policy of maintaining control over the total number of supergrades, I must object to the provision in the committee bill with respect to supergrades.

I would also like to point out that the bill as reported places the four Assistant Secretaries for the Department of Transportation in level III and the Assistant Secretary for Administration in level IV of the Federal Executive Salary Act of 1964, as amended. This is not in accord with the alignment of assistant secretaries and assistant secretaries for administration in all other departments of the Government.

In 1964, the Committee on Post Office and Civil Service gave very careful consideration to the ranking of positions in the five levels of the executive salary schedule. To achieve a proper balance and maintain appropriate salary alignment with agencies and departments, it was decided to place the chairmen of major agencies in level II and assistant secretaries of all departments in level IV. The position of assistant secretary for administration in all departments was placed in level V. I think the internal alignment of the Executive Salary Act should be preserved. I think also

that it would create many problems in the executive branch to give preferential treatment to the Assistant Secretaries of this one Department.

With these thoughts in mind, I send to the desk an amendment to strike the provision authorizing the creation of additional supergrades, to place the four assistant secretaries in level IV, and the Assistant Secretary for Administration in level V of the executive salary schedule. I earnestly hope that the senior Senator from Arkansas will understand my position and accept the amendment.

Mr. JACKSON. Mr. President, may I respond on my own time?

Mr. President, as I understand the Senator's amendment, first, it would strike the additional 45 supergrades provided for in the bill.

Mr. MONRONEY. The Senator is correct.

Mr. JACKSON. Second, it would change the pay from level III to level IV of the four assistant secretaries, and would change from level IV to level V the pay of the Assistant Secretary for Administration.

Mr. MONRONEY. The Senator is correct. It would bring it into conformity with these levels for the assistant secretary in all other departments of the Government, with the exception of the Assistant Secretaries of Defense and the Assistant Secretary for Administration.

Mr. JACKSON. And, as I understand, it also would conform to the bill as passed by the House.

Mr. MONRONEY. The Senator is correct.

Mr. JACKSON. Mr. President, I understand that there may be some necessary technical changes in these amendments, and that matter is now being worked out. With that observation, I am pleased to accept the amendments offered by the senior Senator from Oklahoma.

Mr. MONRONEY. I thank my distinguished colleague for his consideration.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from New Hampshire.

Mr. COTTON. Mr. President, I wish to commend the distinguished Senator and to associate myself with him, particularly in that portion of his presentation which has to do with safety in the air and with the necessity of maintaining the independent investigation of accidents in the preservation of safety.

The Senator and I have served together for years on the Subcommittee on Aviation of the Committee on Commerce. I think that this matter is so vital that it must be in the bill, must stay in the bill, and must remain through the conference stage.

I commend the Senator for his amendments, and the Senators from Arkansas and Washington for agreeing to take them to conference.

Mr. MONRONEY. I deeply appreciate the great help I have had in the Subcommittee on Aviation of the Committee on Commerce by the distinguished Sen-

ator from New Hampshire. I also appreciate his insistence that in this bill, combining the FAA with the new Department of Transportation, the safety features now granted independent action by the FAA Administrator will not be impinged upon.

I yield back the remainder of my time. Mr. JACKSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MONROE in the chair). All time having been yielded back, the question is on agreeing to the amendments offered by the Senator from Oklahoma [Mr. MONRONEY]. The amendments were agreed to.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SIMPSON. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I wish to make an observation or two in connection with the bill. I had planned to offer an amendment to the bill to establish an Office of Noise Abatement under the new Department. I favor the bill. I am a member of the Committee on Government Operations which reported the bill, and I shall vote for it.

I offered the amendment in committee, where it failed because of the deep-seated feeling that we should not saddle the new Department immediately with bureaus of an administrative character until the best form for its progress was ascertained. I settled for a provision in the bill which is found at page 40, lines 11-13, which gives as one of the authorities of the Secretary to: "Promote and undertake research and development with respect to noise abatement, with particular attention to aircraft noise."

Mr. President, I now rise to emphasize the serious nature of the commitment by the new Department, and my determination to pursue this matter to see that the Department really implements the authority that is given to it in the bill.

I wish to point out that in connection with the 1965 Housing and Urban Development Act, I succeeded in introducing an amendment calling for a study to determine feasible methods to reduce economic loss and hardship suffered by homeowners as a result of the construction of airports in the vicinity of homes. I have had a great deal of difficulty in getting that study made. It took a year longer than we had planned. I understand that it was only in June of 1966 that the study was begun. That would cover only one aspect of the matter, which is installation of the home. It does not cover creation of the noise, the kind of engines, approaches to airports, runways, and so forth, and the technical practices followed by pilots and operators of aircraft.

All of these things will be in the hands of this new Department. It is one of the most vexing problems affecting big cities with dense populations. This problem has more effect on the health and property values than any other problem. Mr. President, I shall do my utmost to see that the provision contained in the bill which I have read to the Senate is effectively implemented. I shall follow the

matter to assure that the study which we were promised in 1965 is produced, and that action is taken on it.

Mr. President, the other matter to which I wish to call the attention of the Senate is a problem we ran into for Appalachia, where the building of highways and access roads is an important aspect of the Appalachian program.

The original intent of Congress was to give an approval for the Department of Commerce, the Bureau of Public Roads, on the recommendation of the Appalachian Commission, with respect to highways and access roads.

Now, Mr. President, since that time, the Economic Development Administration was established to deal with technologically backward areas. It was felt that it should have a hand in this decision.

When the Department of Transportation was set up in this bill, I fought against two approvals for the highway and access road program. I recommended that it come under the Department of Transportation, because experience has shown, in the introduction of the EDA program, in the same department, where public roads were located, to wit, the Department of Commerce, approval was delayed in connection with highway and access roads in Appalachia.

Again, the committee could not accept my amendment, but they did give me a provision in the report on page 16, in which it pinpointed that the situation demanded prompt action from both Secretaries, and expressed the desire that they expected a designated official to be held responsible.

Mr. President, I wish to reaffirm the fact that I will do my utmost to see that this kind of responsibility is carried out. I think this is a serious matter in respect of this bill, which should have attention.

Finally, I call attention to the fact that mass transit is not being transferred from the Department of Housing and Urban Development at this time to the Secretary of Transportation, and that is covered at page 43 of the bill. A 1-year trial period is used, again a compromise, rather than to transfer the urban mass transit bill implementation to the new Department.

Again, Mr. President, I shall watch this matter closely and follow it up. This matter is urgent, as far as we are concerned in metropolitan areas such as New York. It is important now with respect to the New York, New Haven & Hartford Railroad. What is done under the Mass Transit Act will be important. I shall do my best to make the compromise work, but if it does not, I shall fight hard to have the mass transit situation placed under the newly created Department of Transportation.

I hope that the cooperation envisaged between HUD and the Department of Transportation in this bill will work. I urge them to make it work. I would like to see it work, to go along with the Senator from Washington [Mr. JACKSON]. Mr. President, I shall follow the matter, and if it does not work, I shall fight to have it transferred.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. JACKSON. Mr. President, I yield 5 minutes out of my time to the distinguished Senator from Oklahoma [Mr. HARRIS].

Mr. HARRIS. Mr. President, I thank the Senator from Washington.

Mr. President, I rise to support the bill, and to express my commendations to the distinguished Senator from Arkansas [Mr. McCLELLAN], the Senator from Washington [Mr. JACKSON], and the Senator from South Dakota [Mr. MUNDT] for their leadership in committee and on the floor of the Senate today in connection with the transportation bill.

The bill is a much improved version and answers the objections I raised last spring when the bill was introduced. In a speech on the Senate floor last April, I expressed "serious questions" concerning the bill which would create a new Cabinet-level department. I ask unanimous consent that the text of those remarks be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HARRIS

The Committee on Government Operations, of which I am a Member, has recently held two days of hearings on S. 3010, a bill to create a new Department of Transportation. It was during the course of these hearings that I became fully aware of the complexity of this proposed legislation, and I am glad that the distinguished chairman of the Committee [Mr. McCLELLAN] has scheduled additional hearings on the bill for May 3 and 4. I commend him for his careful handling of this matter.

There are several proposals contained in the bill which I feel warrant additional investigation and attention. For instance, I have serious questions in my mind concerning the proposals in Section Seven, which would, in effect, transfer to the new Secretary many of the functions now exercised by the U.S. Corps of Engineers with regard to our water transportation systems. At the present time, practically all of our inland navigation systems, which the Corps of Engineers has been responsible for designing, justifying, and constructing, have been authorized under the "multiple purpose" concept. This includes navigation, recreation, flood control, water supply, and conservation. I, therefore, question the advisability of separating from the feasibility study of these projects the contribution which navigation and transportation will have on their justification, without relation to the other purposes of the projects.

Secondly, I have reservations about the proposal in the bill to transfer all of the powers and functions of the Federal Aviation Agency to the Secretary of the new de-

partment. Aviation continues to be one of the fastest growing and expanding industries in our economy, and it is contributing more to our overall economic development. With this rapidly expanding use of air transportation, I question the advisability of abolishing F.A.A., which through the years has demonstrated exceptional ability to coordinate and direct the efforts of aviation in America.

Thirdly, I am concerned over the proposed transfer of the functions and powers of the Bureau of Public Roads to the new Secretary of Transportation. Under existing conditions, the Bureau of Public Roads has done an enviable job of directing our programs of interstate and federal aid primary and secondary highway programs. There has been excellent federal-state cooperation. I feel the proposed reorganization plan could curtail our progress in this area considerably, and, therefore, feel that further consideration should be given to the possibility of transferring, if at all, the powers and functions of the Bureau of Public Roads to the new department as it is now structured, and as a legal entity.

I have mentioned only a few of the more prominent questions which have come to mind in regard to S. 3010. I feel these questions point out the great responsibility of the Congress to be very cautious before approving this recommendation to create a new Department of Transportation.

Mr. HARRIS. Mr. President, my most serious objection to the bill was that it would have transferred to the new Secretary certain powers to determine the feasibility of navigation projects now passed upon by the Corps of Engineers and the Water Resources Council. This objection has been more than cured by the adoption in committee of an amendment cosponsored by the distinguished Senator from Arkansas [Mr. McCLELLAN] and myself, which leaves such feasibility decisions in the Corps of Engineers and the Water Resources Council and, most importantly, as I stated earlier today, writes into the law itself the former "current rate" criteria for new navigation projects.

My second objection, which was to the Federal Aviation Agency losing its identity in the new Department, was taken care of by the adoption of amendments which I cosponsored with my distinguished senior colleague from Oklahoma [Mr. MONROE], who is chairman of the Subcommittee on Aviation. I certainly commend him for his untiring leadership and efforts in regard to these amendments and to aviation generally.

My third objection, voiced on the floor of the Senate last April, was to the Bureau of Public Roads losing its identity in the new Department and the possibility that highway funds might be diverted for nonhighway programs. This objection, too, has been taken care of in the bill reported by our committee, with one exception. That exception was taken care of by the amendment authored by the distinguished Senator from West Virginia [Mr. RANDOLPH] and myself and adopted earlier today.

I support the bill. It is now a much better bill for America and for my home State of Oklahoma than it was when it was introduced. I trust that it will be passed and that the Senate conferees will insist on the Senate amendments, with special reference to title VII, to which I referred earlier today.

Mr. RIBICOFF. Mr. President, I support S. 3010, a bill to establish a Department of Transportation.

The bill speaks to one of the most serious gaps in our national life—an agency to coordinate the work that has been parcelled out over the years to no less than 35 Federal agencies.

Transportation is a \$125-billion a year business in the United States. It affects almost every aspect of human and business endeavor.

This is a good bill. It is a sound and workable bill that accommodates both the public and private interests in the best traditions of our country.

President Johnson has said that transportation is the web that binds the Nation, and the statistics bear him out. Today, there are 90 million motor vehicles in the United States, moving on 1.5 million miles of paved streets and highways. There are 97,000 private and commercial aircraft flying more than a billion miles each year. Transportation accounts for one-sixth of our gross national products. Among its employees are 737,000 in the railroads, 270,000 local and interurban workers, 230,000 in air transport, and almost 1 million in motor transport and warehousing. If we include pipeline and water transportation personnel, there are over 2.5 million employees moving people and goods.

The United States has a vital stake in this vast entity. Consider that our population for 1966 is estimated at 195.8 million. By 2000, we will be well over 360 million, one-third of whom will be residents of the eastern seaboard. By 2000, 85 out of every 100 Americans will be city dwellers. They and their goods must move and be moved. How can this conceivably take place without sound, rational planning by an organization with both responsibility and authority? The answer is simple. It will not. But our lives and our every endeavor will have become too complicated and too interrelated to permit such a breakdown. Let us recognize that the Federal Government is already involved. It has invested many billions in the growth and development of transportation. For fiscal 1967 alone, the Government will spend some \$5 billion on highways, \$879 million on aviation, and \$740 million for the merchant marine and Coast Guard. Further evidence of the impact of transportation may be found in its total cost. The Nation's total transportation bill, public and private, is \$125 billion and increasing yearly. Total intercity passenger miles are 900 billion annually and will double in 20 years. Freight ton-miles, now 1.6 trillion, will also double during that period.

We are here today, Mr. President, in a long overdue effort—

To bring a coordinated rationale to the Federal role in transportation;

To provide a framework for effective and efficient leadership and management;

To end the disparity and diffusion of effort which occurs among the myriad of Federal transportation agencies;

To meet the burgeoning demands of population and industrial growth in an economy which may, in the not too dis-

tant future, see our first \$1 trillion a year in gross national product;

And, most importantly, to assure the optimum degree of safety for life, limb, and property in all modes of transportation.

In addition, we must assure ourselves of the right to look forward to the development of sound, technologically advanced passenger and freight transportation systems and facilities. Such imaginative concepts as the high-speed railroad, surface effect ships, vertical takeoff aircraft, and others are close to realization. Our efforts must not slacken.

All of this will be accomplished in close liaison with all those who can contribute to the successful attainment of national policies—the Congress, the States, local and urban government, private enterprise, labor, and others. This truly meaningful cooperation in transportation has been lacking in our federal system, and it has been costly. At long last, Mr. President, we will be able to realize the most from our human and economic resources and from the transportation dollar. Stated more explicitly, I believe that this vital organizational reform will give shape to what has been, at best, a vague and nebulous public interest. Hopefully, we will be afforded an entity which will devote its full efforts to ending the drift from transportation problem to transportation problem; problems which our constituents constantly call to our attention. You know these problems as well as I:

The slaughter on our highways;

Institutionalized regulatory limitations on the flexibility of carrier capital and operations;

Congestion in urban transportation and on movements to and from airports;

Pollution of the air;

The effect of subsidies on managerial incentive;

Recurrent carrier equipment shortages and plant obsolescence;

Exhausting delays in the decisionmaking process;

The scarring of our landscape;

The lack of clear and imaginative thinking and policies as we approach the demands and burdens of the 21st century;

Emergencies have become the norm in much of transportation labor-management relations;

The lack of coordinated transportation policy within the Federal Government, between the Federal Government and the States and local government, between the Federal Government and industry, or even within the industry itself.

These are but a few of the many problems which plague us as our society becomes more urbanized, and the free and unhampered movement of people and goods becomes more and more an absolute necessity. The time has arrived to resolve these problems by an organization designed to develop truly national transportation policies and to implement them with congressional approval or to implement such policies as do exist. Do not believe that these problems can be put off for another day.

We have before us today a bill which is basically sound. It is most certainly a best effort by the committee to bring meaning out of the large body of testimony of the many and varied interests testifying before us. It is a bill which fully recognizes the constitutional prerogatives of all branches of Government, while at the same time permitting the Secretary to present his documented views to the Congress and the regulatory agencies.

Undoubtedly, the bill is susceptible to improvement, particularly in its somewhat loose organizational framework. This framework in no way prevents the Secretary from exercising full and complete power. It is our intention that the Secretary be accorded both responsibility and authority to get the job done expeditiously and completely. The evolutionary process which took place at the Department of Defense is not contemplated here. Nor is the weak arrangement which characterized the early Department of Health, Education, and Welfare our choice. Such frameworks could well be more harmful than the existing excessive conglomeration of separate agencies. Overall, this bill plainly recognizes that strong administration is basic to sound management. I am particularly pleased that the Department will contain a single agency to administer our traffic and highway safety laws. I have long believed in the necessity for such an office. During my inquiry into the Federal role in traffic safety in March 1965, I learned that there were 16 separate governmental units involved in this matter, but one literally did not know what the others were doing. There was a complete lack of coordination. I trust this will be remedied by the establishment of the new Bureau in the Department.

This year we enacted the substantive legislation which should go a long way toward reducing the toll of death, injury, and property damage on our highways. But for a truly effective program, the law must be carried out efficiently. Now we know this will be done.

This bill, Mr. President, offers a path to the future. If we accept its direction, we will at last enable enlightened government to serve—and rightly so—as a full partner with private enterprise and other appropriate interests in meeting America's urgent need for mobility. If we fail to recognize our proper course, we will simply invite more confusion. If we fail to promote and develop an advanced national transportation system, we will encourage economic and human stagnation. We can no longer afford the luxury of inactivity in Federal transportation organization. We recently took welcome substantive steps forward in our highway safety legislation. I now urge the passage of this bill. It is not a cure-all, but it will provide a greatly needed, coherent instrument of Government which will emphasize the importance of transportation in the Nation's economy and the well being of its people. This surely is our duty. Let us accept it without delay.

Mr. SPARKMAN. Mr. President, although I support the establishment of

a Department of Transportation, as proposed in H.R. 13200 and S. 3010, I have serious doubts whether the framework and enabling statutory authority would actually achieve the basic objectives which are envisaged. Insofar as the maritime industry is concerned, I have grave apprehensions that the inclusion of the promotional functions relating to the maritime industry within the proposed new Department of Transportation would obscure and hinder the maritime programs rather than advance them.

There is no question but that the merchant marine does not get the attention necessary to advance it under the Department of Commerce, an agency with so many broad and varied projects, of such massive size or purpose as to leave less time for the promotion and development of a merchant marine.

Since the U.S. Maritime Commission was abolished in 1950 by Reorganization Plan No. 21, and the former Federal Maritime Board-Maritime Administration was established under the control of the Department of Commerce, the American merchant marine and the American shipbuilding industry have experienced the most drastic decline in our history. The participation of U.S.-flag ships in our waterborne foreign commerce had increased from 26.5 percent in 1937 to 42.9 percent in 1951 when Reorganization Plan No. 21 went into effect. By 1961, when Reorganization Plan No. 7 went into effect, the U.S. flag participation had declined to 8.8 percent. One of the primary reasons for plan No. 7 was to give the Secretary of Commerce additional powers which he said were necessary to halt the decline and to start rebuilding its participation in our foreign commerce. Since that time the participation has declined to approximately 8 percent. Although I do not lay all of our problems at the doorsteps of the Department of Commerce or claim that the lack of independence in the administration of the maritime programs has been the sole cause of the troubles which beset the American maritime industry, I believe that this framework of governmental organization has been largely responsible for the trouble. An effective, enlightened, and progressive program for promoting and maintaining the American merchant marine cannot be carried out unless the persons entrusted with the administration of that program have sufficient knowledge, confidence and independence of judgment to carry out the programs which our basic shipping legislation have promulgated. This type of enlightened and independent judgment has not been possible in the maritime industry since 1950, and I am fearful that the inclusion of the maritime's promotional programs under a Department of Transportation would merely solidify and perpetuate conditions which now exist.

There was more than one reason for the passage of the 1936 Merchant Marine Act. First of all, our merchant marine had declined to where it was not adequate "to carry the greater portion of its (our) commerce and serve as a naval or military auxiliary in time of war or national emergency."

The indirect subsidies provided in the 1928 act had not done the job intended and their administration had been administered with many abuses and malpractices.

In his message to Congress in 1936 on a merchant marine, President Roosevelt put it as follows:

I present to the Congress the question of whether or not the United States should have an adequate merchant marine.

To me there are three reasons for answering this question in the affirmative. The first is that in time of peace, subsidies granted by other nations, shipping combines, and other restrictive or rebating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce.

Second, in the event of a major war in which the United States is not involved, our commerce, in the absence of an adequate American merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade.

Third, in the event of a war in which the United States itself might be engaged, American flagships are obviously needed not only for naval auxiliaries but also for the maintenance of reasonable and necessary commercial intercourse with other nations. We should remember lessons learned in the last war.

Mr. President, these reasons for a merchant marine are as sound today as they were 30 years ago. The only difference between now and then is that our merchant marine is in worse condition now than it was in 1936 and getting worse.

The 1936 act states that we shall have a merchant marine and then it provides means such as operating and construction subsidies and cargo preferences for U.S.-flag ships to make the declared policy a reality. The value of the subsidy provided in the 1936 act is amply demonstrated by the fact that in the trade in which they participate, the subsidized lines carry over 30 percent of the trade. This is contrasted with the overall participation of less than 10 percent.

Over the years it has been necessary for Congress to enact further legislation such as cargo preference which provides principally a routing preference to protect American shipping from discriminatory practices abroad.

Before the subsidies, as outlined in the 1936 act, are extended to aid in the promotion of our commerce and U.S.-flag shipping, first of all certain determinations such as necessary to meet foreign-flag competition, necessary to promote our foreign commerce, and so forth, have to be made, and then the U.S.-flag companies are required to meet certain criteria such as operationally competitive and financially responsible, and so forth.

Such criteria or determination clearly fall within the category of quasi-judicial functions and must be administered as such. This gives credence to the proposition that the agency or the governmental body responsible for such action should be clothed with a high degree of independent authority. The establishment of a bipartisan adjudication body to pass upon the quasi-judicial determination for subsidy under the act would lift the status of such important func-

tions beyond any suspicion of political influence.

From 1936 through early 1950, the U.S. Maritime Commission was in charge of maritime responsibilities including quasi-judicial, regulatory, promotional, and administrative functions. It was a separate and independent agency reporting to Congress.

From 1950 to 1961, the Federal Maritime Board handled regulatory and quasi-judicial functions. When it came to adjudicating between competing lines for subsidy on essential trade routes and the letting of subsidy contracts, it was independent of the Department of Commerce although lodged therein. This was under Reorganization Plan No. 21 which circumscribed the authority of the Secretary of Commerce, limiting it principally to policy guidance alone in certain areas. However, as time progressed, it became evident that a completely independent Board was far preferable.

In considering the establishment of a Department of Transportation, the fact should be recognized that there are definite distinctions between all of the other agencies which would be included in that Department and the Maritime Administration.

The following characteristics of the maritime industry which make it unlike any other mode of transportation, I submit, should be borne in mind:

First. The oceans are free to the vessels of any nation and ocean commerce is not confined, as is airline commerce, to the vessels of the nations involved pursuant to bilateral and multilateral treaties;

Second. Because the oceans are free to the vessels of any nations, tax-free registries have developed in countries such as Liberia, Panama, and Honduras, which have built up fictitious national-flag merchant marines capable of operating at extremely low costs; and

Third. No other American industry competes so directly with foreign-flag competitors as the maritime industry.

I have been referring primarily to the deep-sea merchant marine. There is, however, another segment that needs consideration—the domestic.

The domestic common carrier maritime industry has been instrumental in the development and defense of our country for the past 150 years. Before other modes of transportation were developed, in particular the railroads, the water carriers provided the needed economic means of transportation. After the development of the other modes of transportation, the water carriers continued to provide the most economic means of transportation. Over the years the domestic merchant marine's growth was commensurate with the development of our economy of which they played a major role. The domestic shipping industry's contribution to our peacetime economy, even though unmeasurable, has been surpassed by their contribution to our national defense. At the beginning of World War II, more than half of the merchant ships that were put into service came from the domestic fleet. It is indeed ironical that the domestic fleet did not survive the period in which it made its major contribution.

The decline and disappearance of the domestic shipping industry dates back to World War II and the Transportation Act of 1940, when the water carriers were placed under the Interstate Commerce Commission. Prior to 1940, the domestic water carriers were regulated by the Maritime Commission who also were under the mandate of the Merchant Marine Act of 1936.

The Transportation Act of 1940 took the domestic merchant marine out from under the agency—Maritime Commission—responsible for their promotion and regulation and placed them under an agency—the Interstate Commerce Commission.

There were contributing factors resulting from the war such as the demand for speed because of the consumer goods shortage, the depletion of some of the ships because of war use and the entrenchment of the railroads in carrying the cargo that was once carried by the water carriers. None of these were, however, as disastrous as the placing of the industry under the jurisdiction of the ICC, which had, prior to the act, actively aided the railroads in obtaining increased freight tonnage.

Mr. President, I submit that the foregoing reasons are most important, and I urge Senators to pay close attention to them.

The bureaucratic and administrative roads and byways created by this legislation are far-reaching in scope. If we are to have an effective transportation program, one capable of resolving the complex problems of this dynamic age, then we must also have certain rules of the road as in any mode of transportation. I have tried to outline a most important rule or signpost today. In creating an independent autonomous Maritime Administration, we would be paying heed to these rules of the road.

We would be following established concepts of good government.

And, Mr. President, more importantly, we would be doing the right thing.

The PRESIDING OFFICER. All time for debate has expired.

Mr. JACKSON. Mr. President, I move that the Senate proceed to the consideration of H.R. 15963, Calendar No. 1628.

The PRESIDING OFFICER (Mr. MONTANA in the Chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 15963) to establish a Department of Transportation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, I move to strike out all after the enacting clause of H.R. 15963 and to insert in lieu thereof the text of S. 3010, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.
The PRESIDING OFFICER. The bill having been read the third time, the question is: Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. MAGNUSON], the Senator from Maine [Mr. MUSKIE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Montana [Mr. METCALF], the Senator from Minnesota [Mr. MONDALE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. MAGNUSON], the Senator from Maine [Mr. MUSKIE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Ohio [Mr. YOUNG], the Senator from Montana [Mr. METCALF], and the Senator from Minnesota [Mr. MONDALE] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Michigan [Mr. GRIFFIN], the Senator from Idaho [Mr. JORDAN], the Senator from Iowa [Mr. MILLER], the Senator from California [Mr. MURPHY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Hawaii [Mr. FONG], the Senator from California [Mr. KUCHEL], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Hawaii [Mr. FONG], the Senator from Michigan [Mr. GRIFFIN], the Senator from Idaho [Mr. JORDAN], the Senators from California [Mr. KUCHEL and Mr. MURPHY], the Senator from Iowa [Mr. MILLER], and the Senator from

Pennsylvania [Mr. SCOTT] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 64, nays 2, as follows:

[No. 272 Leg.]

YEAS—64

Alken	Harris	Mundt
Allott	Hartke	Nelson
Bartlett	Hickenlooper	Neuberger
Bayh	Hill	Pastore
Bible	Holland	Pell
Boggs	Inouye	Prouty
Brewster	Jackson	Randolph
Burdick	Javits	Ribicoff
Byrd, Va.	Kennedy, Mass.	Russell, S.C.
Byrd, W. Va.	Kennedy, N.Y.	Russell, Ga.
Cannon	Lausche	Saltonstall
Case	Long, Mo.	Simpson
Clark	Long, La.	Smathers
Cotton	Mansfield	Smith
Dirksen	McCarthy	Sparkman
Dodd	McClellan	Symington
Dominick	McGee	Talmadge
Douglas	McGovern	Tydings
Ellender	Monroney	Williams, N.J.
Ervin	Montoya	Williams, Del.
Fannin	Morse	
Gore	Moss	

NAYS—2

Young, N. Dak.

NOT VOTING—34

Anderson	Hart	Murphy
Bass	Hayden	Muskie
Bennett	Hruska	Pearson
Church	Jordan, N.C.	Robertson
Cooper	Jordan, Idaho	Scott
Curtis	Kuchel	Stennis
Eastland	Magnuson	Thurmond
Fong	McIntyre	Tower
Fulbright	Metcalfe	Yarborough
Griffin	Miller	Young, Ohio
Gruening	Mondale	
	Morton	

So the bill (H.R. 15963) was passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I ask unanimous consent that S. 3010, Calendar No. 1627, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical changes in the engrossment of the bill just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the senior Senator from Arkansas [Mr. McCLELLAN] is to be highly commended for adding another outstanding achievement to his already abundant record of accomplishments. This revolutionary measure which creates a Cabinet-level Department for our Nation's vast transportation network surely could not have won such overwhelming Senate approval without the able and capable talent of the distinguished chairman of the Committee on Government Operations.

Sharing equal credit for this great success is the junior Senator from Wash-

ington [Mr. JACKSON] whose efforts to combine our major transportation administrations into a single department were exemplary. As he indicated so well in his remarks, our purpose is to assure the most efficient and constructive handling of the problems—existing and anticipated—of all carriers; motor, air, rail, and water. We thank Senator Jackson for the competent manner in which he joined to steer the measure to a decisive Senate endorsement.

The ranking committee member on the other side similarly deserves high praise for the abundant talent and tireless effort he applied to assuring this great success. I, of course, refer to the senior Senator from South Dakota [Mr. MUNDT]. His strong support and outstanding cooperation served immensely to bring swift, orderly, and overwhelming Senate acceptance.

To many other Senators go our thanks for expressing articulate and persuasive views on this measure. The senior Senator from Vermont [Mr. AIKEN], the senior and junior Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY], and the junior Senator from Oklahoma [Mr. HARRIS] are to be commended for rising to urge their clear and convincing positions on this proposal. Equally laudable were the efforts of the senior Senators from Alaska [Mr. BARTLETT] and New York [Mr. JAVITS] and particularly the outstanding cooperative efforts of the senior Senator from Maryland [Mr. BREWSTER].

To the entire Senate, finally, goes another outstanding tribute. Again we have obtained an achievement worthy of this body. Again we have accomplished it with reasonable dispatch, with splendid cooperation and with consideration for the views of all.

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1967—CONFERENCE REPORT

Mr. RUSSELL of Georgia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15941) making appropriations for the Department of Defense for the fiscal year ending June 30, 1967, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 24, 1966, CONGRESSIONAL RECORD, pp. 20365, 20366.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on adoption of the conference report.

Mr. RUSSELL of Georgia. Mr. President, I ask that the Senate disagree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was rejected. Mr. RUSSELL of Georgia. Mr. President, I move that the Senate further insist on all of its amendments to H.R. 15941.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia.

The motion was agreed to.

Mr. RUSSELL of Georgia. Mr. President, I move that the Senate reject the House amendments to the Senate amendments Nos. 10, 13, and 27.

The motion was agreed to.

Mr. RUSSELL of Georgia. Mr. President, I move that the Senate further insist on its amendments Nos. 5 and 24.

The motion was agreed to.

FEDERAL GRAND JURY INVESTIGATION OF THE AUGUST 15, 1966, DISTURBANCE IN ANACOSTIA

Mr. BYRD of West Virginia. Mr. President, today's Washington Star reports that the Citizens' Committee on the 11th Precinct, in its final report to the District of Columbia Board of Commissioners, has requested "a Federal grand jury investigation of the August 15 disturbance in Anacostia."

I am in accord with the view that such a grand jury probe is not only justified, but is absolutely necessary if the true facts underlining the persistent unrest in the 11th precinct are to be established.

Mr. President, on September 8, I wrote to Chief John B. Layton and asked why the matter was not presented to the grand jury. I ask unanimous consent that a copy of my letter to Chief Layton be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 8, 1966.

Chief JOHN B. LAYTON,
Metropolitan Police Department,
300 Indiana Avenue, NW.,
Washington, D.C.

DEAR CHIEF LAYTON: With reference to the recent disturbance in the Eleventh Precinct why was the matter not presented to the Grand Jury?

A complete and prompt report, together with any correspondence in connection therewith, will be appreciated.

Sincerely yours,

ROBERT C. BYRD,
U.S. Senator.

Mr. BYRD of West Virginia. Chief Layton, in his reply, dated September 12, stated that officials of the Police Department had recommended a grand jury inquiry in a meeting on August 19 with Mr. Harry T. Alexander, first assistant U.S. attorney, the U.S. attorney, Mr. David G. Bress, being out of the city at the time.

Chief Layton further stated that he formally brought the matter to the attention of Mr. Bress on August 22. Chief Layton stated that "after some discussion of the facts and circumstances, Mr. Bress

declined at that time to present this matter to a grand jury."

I ask unanimous consent to have printed in the RECORD the letter written to me on September 12 by Chief Layton.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
September 12, 1966.

HON. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: Receipt is acknowledged of your letter of September 8, 1966, with reference to the recent disturbance in the Eleventh Precinct.

In reply you are advised that a meeting was arranged for 2:00 p.m., Friday, August 19, 1966, with Mr. Harry T. Alexander, 1st Assistant United States Attorney, which was attended by Deputy Chief Howard F. Mowry, Inspector George E. Causey and Captain Tilmon B. O'Bryant of this Department. These officials of the Department discussed with Mr. Alexander the circumstances and status of the investigation concerning the disturbance in the area of the Eleventh Precinct station house which took place on August 15, 1966, suggesting that this matter be presented for a Grand Jury inquiry. United States Attorney David G. Bress was out of the city at the time and a decision was delayed until his return.

As a result of the meeting on August 19th, Inspector Causey on August 22, 1966, submitted a written report regarding the incident, citing the probable violations of the D.C. Code and recommending this matter be brought to the attention of the United States Attorney. In accordance with that recommendation, I formally brought the matter to the attention of Mr. David G. Bress and on the same date August 22, 1966, at 5:00 p.m. a meeting was held with Deputy Chief Mowry, Inspector Causey and Captain O'Bryant again in attendance and during which the known facts and status of the investigation were presented to Mr. Bress and Mr. Alexander with a view to making a presentation to a Grand Jury. After some discussion of the facts and circumstances, Mr. Bress declined at that time to present this matter to a Grand Jury.

Trusting that this information will be of assistance to you and assuring you of our cooperation, I am

Sincerely yours,

JOHN B. LAYTON,
Chief of Police.

Mr. BYRD of West Virginia. Mr. President, I have not talked with Mr. Bress as to why he declined to proceed as had been recommended by the police department. Knowing that the final report of the citizens' committee was to have been made recently, but was temporarily delayed, I decided to await the outcome of the committee's study before pursuing the matter.

I am glad that the citizens' committee has cited the need for a grand jury probe, and I have this afternoon sent a telegram to Commissioner Tobriner, Mr. Bress, and Chief Layton, urging that immediate steps be taken to conduct such an investigation.

Mr. President, I ask unanimous consent that the telegram to which I have referred be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SENATE APPROPRIATIONS COMMITTEE,
September 29, 1966.

HON. WALTER N. TOBRINER,
President, Board of Commissioners,
District of Columbia Government,
District Building, Washington, D.C.:
Chief JOHN B. LAYTON,
Metropolitan Police Department,
Washington, D.C.:
Hon. DAVID G. BRESS,
U.S. Attorney, U.S. Courthouse,
Washington, D.C.:

I urge that immediate steps be taken leading to a Federal grand jury investigation of August 15 and subsequent disturbances in the 11th Precinct. Such an investigation should not necessarily be confined to the 11th Precinct area, but consideration should also be given to the inclusion of other precincts in which violence and serious disturbances have recently occurred. A grand jury probe is already overdue and only through such an investigation can the true facts be established regarding the causes of recent and persistent disorder in the Nation's Capital.

ROBERT C. BYRD,
U.S. Senator.

Mr. BYRD of West Virginia. Mr. President, there is a necessity for getting to the bottom of the deep and continuing unrest in the 11th precinct and other areas of this city. Too long there has been an apparent reluctance in the city to deal firmly with persons who have incited and participated in acts of violence, disorder, and open rebellion against constituted authority. There have been some indications of a hesitance, in certain areas of the city and in certain situations, to make arrests for misdemeanors, out of fear that general public disturbances or riots might follow. Whether or not this is the case should certainly be established, and if it is so, it should also be established precisely where the fault lies. Temporizing with lawbreakers, and failure to enforce the law without fear or favor, can only make bad matters worse, and encourage increasing violence. For lawbreakers are contemptuous of any sign of weakness on the part of those whose duty it is to enforce the law.

Moreover, it has been indicated that certain persons affiliated with antipov-erty programs in the 11th precinct have been active in organizing demonstrations and attacks upon police. A grand jury investigation would undoubtedly explore these reports, and determine just what influences are at work in fomenting trouble and unrest.

Mr. President, the police need all the backing they can get in the undeclared warfare being conducted against them by lawless, irresponsible, and militant elements in this city, and the law-abiding citizens, Negro and white, need protection against the rioters, the hoodlums, and the vandals who would harm their persons and destroy their property. A grand jury investigation into recent 11th precinct disorders is a good way to halt the retreat from law and order in that area of the Nation's Capital.

Such a duly constituted body would have the tools with which to get at the

facts. Citizens and officials, including police, could divulge information without fear of retaliation from any source, and, more importantly, whatever penal and/or corrective actions are in order would be clearly revealed and set in motion.

The time is now. The need is now. Action should be the order of the day.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, and after consultation with the policy committee, and I would hope with the approval of the leadership of the other side, because of the pileup in legislation, and our desire for a reasonably early adjournment, I wish to state that it is not the intention of the leadership, the distinguished minority leader, the Senator from Illinois, concurring, to call up the Monroney-Madden reorganization bill at this session of Congress. It is hoped, however, that it will be one of the very first orders of business when the Senate reconvenes again next January.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Does the Senator have definite plans as yet as to when he proposes to take up the foreign aid appropriation bill?

Mr. MANSFIELD. Tuesday is the best answer I can give at this moment.

Mr. HOLLAND. I thank the majority leader.

AS GOLD FLOWS OUT

Mr. SYMINGTON. Mr. President, some days ago the Senate Democratic policy committee recommended a resolution incident to removing a substantial number of troops from Europe.

The resolution was predicated on political and military changes which have occurred since the troops were first assigned; and also in recognition of the increasing fiscal and monetary problems characteristic of our own economy.

Thirty-one Senators now cosponsor this resolution. But there was a critical reaction expressed by some.

A thought-provoking and constructive lead editorial in the St. Louis Post-Dispatch of September 26, "As Gold Flows Out," spells out much of the thinking in the minds of those who recommended the above resolution.

This editorial notes that in April, May and June, the French obtained \$220,700,000 more U.S. gold—a significant figure in itself.

The editorial also presents that "the basic reason for the gold drain is our continuing unfavorable balance of international payments, despite the fact that we sell more than we buy abroad." It then adds:

Much of the trouble stems from military expenses.

But the major thrust of the editorial in question would seem to be contained in its last sentence, which reads:

The time to act is while the current co-operative atmosphere—

I add always excepting France—

prevails, not after it is dissipated by an international crisis.

To those who for whatever reason believe the proposed resolution of the policy committee is wrong, I commend the facts as ably portrayed in this editorial, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis (Mo.) Post-Dispatch, Sept. 26, 1966]

AS GOLD FLOWS OUT

The second quarter of this year would have brought a handsome increase in the American gold reserve, according to the Treasury, but for French persistence in "cashing" in dollars. France took \$220,700,000 in gold in April, May and June, yet our over-all loss was only \$208,000,000.

There is little excuse, however, for the Administration's unhappiness about Gen. De Gaulle's policy, unfriendly as it may be. He has the right to demand gold at the rate of \$35 an ounce. Furthermore, France has been repaying its postwar debts ahead of the due dates. The basic reason for the gold drain is our continuing unfavorable balance of international payments, despite the fact that we sell more than we buy abroad. Much of the trouble stems from military expenses.

The Treasury may find solace in the fact that while France has exchanged almost a billion and a half dollars for gold in the last 18 months, other governments have shown restraint in continuing to hold dollars in their reserves. But this could turn out to be merely a postponement of trouble. Foreign holdings of dollars are growing by somewhat less than a billion and a half a year—and each of those dollars is a potential demand on Fort Knox.

The last thing the world's leading money managers want is a "run" on the Treasury or even on the Bank of England. They know that a weakening of the dollar—or the British pound—could touch off a chain of devaluations, first of the two reserve currencies and then of the currencies tied to them. As in 1931, this could lead to a worldwide depression.

To preclude anything of the sort, the Federal Reserve, the Bank of England, 10 other central banks—not including the Bank of France—and the Bank for International Settlements recently reached a new agreement to extend massive credits to each other in case of a currency crisis. Primarily, this is a pledge of further support for the pound. It also is a warning to speculators and gold-hoarders of international determination not to allow them to upset the present monetary system.

Defending the status quo, however, is not enough. The American deficit has become one of the obstacles to the reform of the international monetary system through the establishment of new reserve asset which would reduce the need for gold and ease the strain on the dollar and the pound. The need for such a "credit reserve unit" has been acknowledged by the so-called Club of Ten—with France abstaining, of course. This involves, in a limited sense, an intermingling of currencies. So long as the dollar is under pressure it is a less desirable partner than it ought to be.

Clearly the Administration should take stronger measures against the payments deficit, and it should abandon any false pride in the dollar which may inhibit international monetary reform. The time to act is while

the current co-operative atmosphere prevails, not after it is dissipated by an international crisis.

ORDER FOR ADJOURNMENT—AUTHORIZATION FOR COMMITTEES TO FILE REPORTS AND INDIVIDUAL VIEWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, following the adjournment of the Senate today and until noon tomorrow, all committees be authorized to file reports, and that the Committee on the Judiciary be authorized to file individual views with respect to S. 2191.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 3164. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3164) to provide for continued progress in the Nation's war on poverty.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move under the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 47 minutes p.m.) the Senate adjourned until 12 o'clock noon tomorrow, Friday, September 30, 1966.

NOMINATION

Executive nomination received by the Senate September 29, 1966:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Herbert Salzman, of New York, to be Assistant Administrator for Development Finance and Private Enterprise, Agency for International Development.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 29, 1966

The House met at 10 a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong and of a good courage; be not afraid, neither be thou dismayed; for the Lord thy God is with thee whithersoever thou goest.—Joshua 1: 9.

O God of all goodness and grace, bless us as we lift our spirits unto Thee in prayer. Make us increasingly aware of